

<i>SERFF Tracking Number:</i>	<i>PERR-127362863</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Beazley Insurance Company, Inc.</i>	<i>State Tracking Number:</i>	<i>49536</i>
<i>Company Tracking Number:</i>	<i>BICI-GH-LMI-AR-11-01-F</i>		
<i>TOI:</i>	<i>H14G Group Health - Hospital Indemnity</i>	<i>Sub-TOI:</i>	<i>H14G.000 Health - Hospital Indemnity</i>
<i>Product Name:</i>	<i>Group Limited Medical Indemnity</i>		
<i>Project Name/Number:</i>	<i>BICI-GH-LMI-AR-11-01-F/BICI-GH-LMI-AR-11-01-F</i>		

## Filing at a Glance

Company: Beazley Insurance Company, Inc.

Product Name: Group Limited Medical      SERFF Tr Num: PERR-127362863      State: Arkansas

Indemnity

TOI: H14G Group Health - Hospital Indemnity      SERFF Status: Closed-Approved-      State Tr Num: 49536  
Closed

Sub-TOI: H14G.000 Health - Hospital Indemnity      Co Tr Num: BICI-GH-LMI-AR-11-      State Status: Approved-Closed  
01-F

Filing Type: Form

Reviewer(s): Rosalind Minor

Authors: Lois Pimentel, Addy      Disposition Date: 08/26/2011  
Anggelico

Date Submitted: 08/11/2011      Disposition Status: Approved-  
Closed

Implementation Date Requested: On Approval

Implementation Date:

State Filing Description:

## General Information

Project Name: BICI-GH-LMI-AR-11-01-F

Status of Filing in Domicile: Pending

Project Number: BICI-GH-LMI-AR-11-01-F

Date Approved in Domicile:

Requested Filing Mode: Review & Approval

Domicile Status Comments:

Explanation for Combination/Other:

Market Type: Group

Submission Type: New Submission

Group Market Size: Small and Large

Group Market Type: Employer, Association

Overall Rate Impact:

Filing Status Changed: 08/26/2011

State Status Changed: 08/26/2011

Deemer Date:

Created By: Lois Pimentel

Submitted By: Addy Anggelico

Corresponding Filing Tracking Number: Exempt

Filing Description:

On behalf of Beazley Insurance Company, Inc (the "Company") we are introducing its new Group Limited Medical Indemnity product. The following forms will be utilized with this product:

- Master Policy
- Certificate of Insurance
- Group Application

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 - Employee Enrollment Form

We respectfully request this filing to be effective the earliest possible date according to your filing laws.

Enclosed is authorization for Perr&Knight to submit this filing on behalf of the Company. The Company has prepared the forms contained within this filing. All correspondence related to this filing should be directed to Perr&Knight. If there are any requests for additional information related to items prepared by the Company, we will forward the request immediately to the Company. We will submit the Company's response to your attention as soon as we receive it.

Please do not hesitate to contact us with any questions or comments.

## Company and Contact

### Filing Contact Information

Lois Pimentel, State Filings Project Coordinator doi@perrknight.com  
 Perr&Knight 707-546-6896 [Phone]  
 881 Alma Real Drive, Suite 205 310-230-8529 [FAX]  
 Pacific Palisades, CA 90272

### Filing Company Information

(This filing was made by a third party - perrandknightactuaryconsultants)

Beazley Insurance Company, Inc.	CoCode: 37540	State of Domicile: Connecticut
20 Stanford Drive	Group Code:	Company Type:
Farmington, CT 06032	Group Name:	State ID Number:
(860) 677-3707 ext. [Phone]	FEIN Number: 04-2656602	

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## Filing Fees

Fee Required?	Yes
Fee Amount:	\$200.00
Retaliatory?	No
Fee Explanation:	\$50 per form x 4 = \$200
Per Company:	No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Beazley Insurance Company, Inc.	\$200.00	08/11/2011	50564652

<i>SERFF Tracking Number:</i>	<i>PERR-127362863</i>	<i>State:</i>	<i>Arkansas</i>
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<i>Product Name:</i>	<i>Group Limited Medical Indemnity</i>		
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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved-Closed	Rosalind Minor	08/26/2011	08/26/2011

### Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending Industry Response	Rosalind Minor	08/16/2011	08/16/2011	Lois Pimentel	08/24/2011	08/24/2011

<i>SERFF Tracking Number:</i>	<i>PERR-127362863</i>	<i>State:</i>	<i>Arkansas</i>
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## Disposition

Disposition Date: 08/26/2011

Implementation Date:

Status: Approved-Closed

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number:	PERR-127362863	State:	Arkansas
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Company Tracking Number:	BICI-GH-LMI-AR-11-01-F		
TOI:	H14G Group Health - Hospital Indemnity	Sub-TOI:	H14G.000 Health - Hospital Indemnity
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Project Name/Number:	BICI-GH-LMI-AR-11-01-F/BICI-GH-LMI-AR-11-01-F		

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Flesch Certification	Approved-Closed	Yes
Supporting Document	Application	Approved-Closed	Yes
Supporting Document	Statements of Variability	Approved-Closed	Yes
Supporting Document	Authorization letter	Approved-Closed	Yes
Form	APPLICATION FOR GROUP INSURANCE	Approved-Closed	Yes
Form	ENROLLMENT FORM	Approved-Closed	Yes
Form (revised)	CERTIFICATE OF INSURANCE	Approved-Closed	Yes
Form	CERTIFICATE OF INSURANCE	Replaced	Yes
Form (revised)	GROUP LIMITED MEDICAL INDEMNITY POLICY	Approved-Closed	Yes
Form	GROUP LIMITED MEDICAL INDEMNITY POLICY	Replaced	Yes

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TOI: H14G Group Health - Hospital Indemnity Sub-TOI: H14G.000 Health - Hospital Indemnity  
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## Objection Letter

Objection Letter Status Pending Industry Response  
Objection Letter Date 08/16/2011  
Submitted Date 08/16/2011  
Respond By Date

Dear Lois Pimentel,

This will acknowledge receipt of the captioned filing.

### Objection 1

- CERTIFICATE OF INSURANCE, AHFIC0001-AR 052011 Ed. (Form)
- GROUP LIMITED MEDICAL INDEMNITY POLICY, AHFIM0001-AR 052011 Ed. (Form)

Comment: Your limitation/exclusion #23 is not in compliance with ACA 23-79-129 (a) which states in part that coverage must be paid for up to five (5) full days in a hospital nursery or until the mother is discharged from the hospital following the birth of the child, whichever is the lesser period of time.

Please feel free to contact me if you have questions.

Sincerely,

Rosalind Minor

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 Project Name/Number: BICI-GH-LMI-AR-11-01-F/BICI-GH-LMI-AR-11-01-F

## Response Letter

Response Letter Status Submitted to State  
 Response Letter Date 08/24/2011  
 Submitted Date 08/24/2011

Dear Rosalind Minor,

### Comments:

Thank you for your review of this filing.

### Response 1

Comments: Exclusion 23 has been deleted from the policy and the certificate. References to this exclusion have been deleted from the statements of variability.

### Related Objection 1

Applies To:

- CERTIFICATE OF INSURANCE, AHFIC0001-AR 052011 Ed. (Form)
- GROUP LIMITED MEDICAL INDEMNITY POLICY, AHFIM0001-AR 052011 Ed. (Form)

Comment:

Your limitation/exclusion #23 is not in compliance with ACA 23-79-129 (a) which states in part that coverage must be paid for up to five (5) full days in a hospital nursery or until the mother is discharged from the hospital following the birth of the child, whichever is the lesser period of time.

### Changed Items:

No Supporting Documents changed.

### Form Schedule Item Changes

Form Name	Form Number	Edition Date	Form Type	Action	Action Specific Data	Readability Score	Attach Document
CERTIFICATE OF INSURANCE	AHFIC0001-AR	052011 Ed.	Certificate	Initial		0.000	AHFIC0001-AR 052011 Ed.pdf

### Previous Version

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<i>TOI:</i>	<i>H14G Group Health - Hospital Indemnity</i>	<i>Sub-TOI:</i>	<i>H14G.000 Health - Hospital Indemnity</i>
<i>Product Name:</i>	<i>Group Limited Medical Indemnity</i>		
<i>Project Name/Number:</i>	<i>BICI-GH-LMI-AR-11-01-F/BICI-GH-LMI-AR-11-01-F</i>		

<b>CERTIFICATE OF</b>	<b>AHFIC000</b>	<b>Certificate</b>	<b>Initial</b>	<b>0.000</b>	<b>AHFIC000</b>
<b>INSURANCE</b>	<b>1-AR</b>				<b>1-AR</b>
	<b>052011</b>				<b>052011</b>
	<b>Ed.</b>				<b>Ed.pdf</b>
<b>GROUP LIMITED</b>	<b>AHFIM000</b>	<b>Policy/Contract/Fraternal</b>	<b>Initial</b>	<b>0.000</b>	<b>AHFIM000</b>
<b>MEDICAL INDEMNITY</b>	<b>1-AR</b>	<b>Certificate: Amendment,</b>			<b>1-AR</b>
<b>POLICY</b>	<b>052011</b>	<b>Insert Page, Endorsement</b>			<b>052011</b>
	<b>Ed.</b>	<b>or Rider</b>			<b>Ed.pdf</b>

**Previous Version**

<b>GROUP LIMITED</b>	<b>AHFIM000</b>	<b>Policy/Contract/Fraternal</b>	<b>Initial</b>	<b>0.000</b>	<b>AHFIM000</b>
<b>MEDICAL INDEMNITY</b>	<b>1-AR</b>	<b>Certificate: Amendment,</b>			<b>1-AR</b>
<b>POLICY</b>	<b>052011</b>	<b>Insert Page, Endorsement</b>			<b>052011</b>
	<b>Ed.</b>	<b>or Rider</b>			<b>Ed.pdf</b>

No Rate/Rule Schedule items changed.

Thank you.

Sincerely,  
Addy Angelico, Lois Pimentel



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## Form Schedule

### Lead Form Number:

Schedule Item	Form Number	Form Type	Form Name	Action	Action Specific Data	Readability	Attachment
<b>Status</b>							
Approved- Closed 08/26/2011 Ed.	AHILA0101 052011 Ed.	Application/ Enrollment Form	APPLICATION FOR GROUP INSURANCE	Initial		0.000	AHILA0101 052011 Ed.pdf
Approved- Closed 08/26/2011 Ed.	AHFIA0001 062011 Ed.	Application/ Enrollment Form	ENROLLMENT FORM	Initial		0.000	AHFIA0001 062011 Ed.pdf
Approved- Closed 08/26/2011 Ed.	AHFIC0001 -AR 052011 Ed.	Certificate	CERTIFICATE OF INSURANCE	Initial		0.000	AHFIC0001- AR 052011 Ed.pdf
Approved- Closed 08/26/2011 Ed.	AHFIM000 1-AR 052011 Ed.	Policy/Cont ract/Fratern al	GROUP LIMITED MEDICAL INDEMNITY POLICY	Initial		0.000	AHFIM0001- AR 052011 Ed.pdf
Certificate: Amendmen t, Insert Page, Endorseme nt or Rider							

<Beazley Name Logo>

Beazley Insurance Company, Inc.

Administrative Office

[Address here]

**APPLICATION FOR GROUP INSURANCE**

☐ Group Supplemental Out-of Pocket Medical Expense

☐ Group Limited Medical Indemnity

**GENERAL INFORMATION**

Full Legal Name of [EMPLOYER, ASSOCIATION]:		Federal Tax ID #:	
Street Address:	City:	County:	State: Zip code:
Form of Organization: <input type="checkbox"/> Corporation <input type="checkbox"/> Association <input type="checkbox"/> Proprietorship <input type="checkbox"/> Partnership		List of all Subsidiaries to be included:	
Effective Date of Insurance: Month: Date: Year:  <i>The effective date of the insurance is subject to approval of this application by Beazley Insurance Company, Inc.</i>			

**TYPE OF INSURANCE ELECTED**

INSURANCE COVERAGE	# ELIGIBLE [EMPLOYEES]	[EMPLOYEE] CONTRIBUTION	BENEFIT SELECTIONS
<input type="checkbox"/> Group Supplemental Out-of-Pocket Medical Expense Insurance Policy		%	<input type="checkbox"/> Inpatient Hospital Benefit <input type="checkbox"/> Outpatient Hospital Benefit <input type="checkbox"/> Ambulance Benefit <input type="checkbox"/> Physician Office Visit Benefit <input type="checkbox"/> Prescription Drug Benefit

Insurance coverage for the Group Supplemental Out-of-Pocket Medical Insurance coverage is contingent on the group policyholder maintaining a Major Medical plan for all eligible [employees][members].

Please list the insurer (s) and Policy Number (s) of the inforce Major Medical plan:

Major Medical insurer: Policy number

Effective Date: Renewal Date:

<input type="checkbox"/> Group Limited Medical Indemnity Policy		%	<input type="checkbox"/> Hospital Confinement <input type="checkbox"/> Hospital Intensive Care Unit <input type="checkbox"/> Surgical <input type="checkbox"/> Anesthesia <input type="checkbox"/> Physician Office/Urgent Care Facility Visit <input type="checkbox"/> Emergency Room <input type="checkbox"/> Diagnostic Testing, X-Ray, Lab <input type="checkbox"/> Preventive Care Visit <input type="checkbox"/> Ground Ambulance <input type="checkbox"/> Air Ambulance <input type="checkbox"/> Skilled Nursing Care Facility <input type="checkbox"/> Mental Illness & Substance Abuse Confinement <input type="checkbox"/> Hospital Admission – Lump Sum <input type="checkbox"/> Mental Illness & Substance Abuse Admission – Lump Sum <input type="checkbox"/> Transplant Travel Lump Sum <input type="checkbox"/> Prescription Drug Indemnity
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Will all or part of this policy replace similar coverage? ☐ Yes ☐ No If yes, list insurer(s), Policy Number(s), and Termination Date(s):

Insurer: Policy Number: Term Date:

**DEPOSIT INFORMATION**

Deposit submitted with application [\$]. If the policy is issued, the deposit will apply towards the first month's premium.

**AGREEMENT (This form must be signed)**

The [Employer] and Beazley Insurance Company, Inc. ("We", "Us" or "Our") agree that:

**THE APPLICATION** should form the basis for and become part of any policy issued. **PREMIUM RATES** shall: (1) be subject to all provisions in that policy; and (2) be binding on both [Employer] and Us. **LIABILITY OF THE COMPANY** – We will have no liability until this request has been approved at Our Administrative Office. **AUTHORITY OF AGENTS** – No agent can change the terms of this request or any policy We issue. No agent can waive any of Our rights or requirements or extend the time for any premium payments. **CHANGES AND CORRECTIONS** – The acceptance of any policy issued on this request shall constitute ratification of any correction or amendment made by Us. Changes are an amendment to and form a part of the original request and any policy issued.

**AUTHORIZATION AND ACKNOWLEDGMENT**

I certify that the above information is true and correct to the best of my knowledge and belief.

**Please continue to read below for special notices required by state law.**

[Employer] (full legal name): \_\_\_\_\_

Dated at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_.

Signature of Authorized Person:	Print Name:	Print Title:
Signature of Licensed Resident Agent:	Print Name of Agent and License Number:	P.O. Box Address (Including Zip Code):

**FRAUD WARNING**

[Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or a statement of claim containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto may be guilty of committing a fraudulent insurance act, which is a crime.]

**[Alaska]** - A person who knowingly and with intent to injure, defraud, or deceive an insurance company files a claim containing false, incomplete, or misleading information may be prosecuted under state law.]

**[Arizona]** - For your protection Arizona law requires the following statement to appear on this form. Any person who knowingly presents a false or fraudulent claim for payment of a loss is subject to criminal and civil penalties.]

**[Arkansas, Louisiana, Rhode Island, West Virginia]** - Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.]

**[California]** - For your protection California law requires the following to appear on this form: Any person who knowingly presents false or fraudulent claim for the payment of a loss is guilty of a crime and may be subject to fines and confinement in state prison.]

**[Colorado]** - It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.]

**[Delaware]** - Any person who knowingly, and with intent to injure, defraud or deceive any insurer, files a statement of claim containing any false, incomplete or misleading information is guilty of a felony.]

**[District of Columbia]** - WARNING: It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.]

**[Idaho** - Any person who knowingly, and with intent to defraud or deceive any insurance company, files a statement of claim containing any false, incomplete, or misleading information is guilty of a felony.]

**[Indiana** - A person who knowingly and with intent to defraud an insurer files a statement of claim containing any false, incomplete, or misleading information commits a felony.]

**[Kansas** – It is unlawful to commit a fraudulent insurance act, which means an act committed by any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer, broker or any agent thereof, any written statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance which such person knows to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto.]

**[Kentucky** - Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime.]

**[Maine, Tennessee, Virginia, Washington** - It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines or a denial of insurance benefits.]

**[Maryland** - Any person who knowingly and willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly and willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.]

**[Minnesota** - A person who files a claim with intent to defraud or helps commit a fraud against an insurer is guilty of a crime.]

**[New Hampshire** - Any person who, with a purpose to injure, defraud, or deceive any insurance company, files a statement of claim containing any false, incomplete, or misleading information is subject to prosecution and punishment for insurance fraud, as provided in RSA 638:20.]

**[New Jersey** - Any person who knowingly files a statement of claim containing any false or misleading information is subject to criminal and civil penalties.]

**[New Mexico** – Any person who, with intent to defraud or knowing that he or she is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.]

**[North Carolina** – Any person who knowingly and with intent to injure, defraud, or deceive an insurer or insurance claimant is guilty of a Class H felony and may be subject to criminal and civil penalties.]

**[Ohio** - Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.]

**[Oklahoma** - WARNING: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing false, incomplete or misleading information is guilty of a felony.]

**[Oregon** - Any person who knowingly and willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly and willfully presents false information in an application for insurance may be guilty of a crime and may be subject to fines and confinement in prison.]

**[Pennsylvania** - Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.]

**[Vermont** - Any person who knowingly presents a false statement in an application for insurance may be guilty of a criminal offense and subject to penalties under state law.]

**Beazley Insurance Company, Inc.**  
Administrative Office  
[Address Here]

Use this form to apply or make changes  
to the coverage listed below.

**Limited Medical Indemnity Policy**

**[EMPLOYEE / MEMBER] ENROLLMENT FORM**

**[EMPLOYEE / MEMBER] INFORMATION**

Last Name	First Name	M.I.	Social Security #	Date of Birth
Street Address	Apt. No.	City	State	Zip Code
Home Phone: (     )	Work Phone: (     )	Gender <input type="checkbox"/> M <input type="checkbox"/> F	Marital Status <input type="checkbox"/> Single <input type="checkbox"/> Married	
[Employer or Group/Association] Name:	[Division]:	[Job Title / Employment Date:]		
Insurance Requested: <input type="checkbox"/> New Enrollment <input type="checkbox"/> Status Change: (Family status / Address / Name / Other)      Date:				
[Are you currently Actively at Work and able to perform the duties of your occupation? <input type="checkbox"/> Yes <input type="checkbox"/> No]		[How many hours are you regularly working per week with your current employer? _____ Hours per week]		
Coverage Election: Please select coverage for you and your Spouse [/Domestic Partner] and/or Child(ren), if applicable. <input type="checkbox"/> Employee Only <input type="checkbox"/> Employee Plus Spouse[/Domestic Partner] <input type="checkbox"/> Employee Plus Child(ren) <input type="checkbox"/> Employee Plus Family				

**DEPENDENT INFORMATION** *(Complete only for Dependents to be covered under this plan)*

Last Name	First Name	M.I.	Relationship	Date of Birth	Gender
					<input type="checkbox"/> M <input type="checkbox"/> F
					<input type="checkbox"/> M <input type="checkbox"/> F
					<input type="checkbox"/> M <input type="checkbox"/> F
					<input type="checkbox"/> M <input type="checkbox"/> F
					<input type="checkbox"/> M <input type="checkbox"/> F
					<input type="checkbox"/> M <input type="checkbox"/> F

**SIGNATURE** *(This form must be signed)*

**AUTHORIZATION AND ACKNOWLEDGMENT**

I hereby declare that all the statements made above and on the reverse side are, to the best of my knowledge and belief, true and complete and that I understand they are the basis on which insurance requested by me may be issued.

All statements made by me are representations and not warranties. No statement made by me will be used to contest the insurance provided by the Policy, unless: 1) it is contained in a written statement signed by me; and 2) a copy of the statement is furnished to me. I agree that a photocopy of this form shall be as valid as the original, and that it shall be valid for 24 months from the date signed. I also understand that I, or the person authorized to act on my behalf, is entitled to receive a copy of this authorization form.

[I understand that by signing this form I am authorizing the necessary premium deductions from my salary or wages for the coverage I have selected.] [I further understand that a treatment, which results from a pre-existing condition, will not be covered if the treatment begins within 12 months after the effective date of insurance.]

AUTHORIZATION AND ACKNOWLEDGMENT - I certify that the above information is true and correct to the best of my knowledge and belief.

Please continue to read below for special notices required by state law.

X \_\_\_\_\_

**FRAUD WARNING**

[Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or a statement of claim containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto may be guilty of committing a fraudulent insurance act, which is a crime.]

**[Alaska]** - A person who knowingly and with intent to injure, defraud, or deceive an insurance company files a claim containing false, incomplete, or misleading information may be prosecuted under state law.]

**[Arizona]** - For your protection Arizona law requires the following statement to appear on this form. Any person who knowingly presents a false or fraudulent claim for payment of a loss is subject to criminal and civil penalties.]

**[Arkansas, Louisiana, Rhode Island, West Virginia]** - Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.]

**[California]** - For your protection California law requires the following to appear on this form: Any person who knowingly presents false or fraudulent claim for the payment of a loss is guilty of a crime and may be subject to fines and confinement in state prison.]

**[Colorado]** - It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.]

**[Delaware]** - Any person who knowingly, and with intent to injure, defraud or deceive any insurer, files a statement of claim containing any false, incomplete or misleading information is guilty of a felony.]

**[District of Columbia]** - WARNING: It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.]

**[Idaho]** - Any person who knowingly, and with intent to defraud or deceive any insurance company, files a statement of claim containing any false, incomplete, or misleading information is guilty of a felony.]

**[Indiana]** - A person who knowingly and with intent to defraud an insurer files a statement of claim containing any false, incomplete, or misleading information commits a felony.]

**[Kansas]** – It is unlawful to commit a fraudulent insurance act, which means an act committed by any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer, broker or any agent thereof, any written statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance which such person knows to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto.]

**[Kentucky]** - Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime.]

**[Maine, Tennessee, Virginia, Washington]** - It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines or a denial of insurance benefits.]

**[Maryland** - Any person who knowingly and willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly and willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.]

**[Minnesota** - A person who files a claim with intent to defraud or helps commit a fraud against an insurer is guilty of a crime.]

**[New Hampshire** - Any person who, with a purpose to injure, defraud, or deceive any insurance company, files a statement of claim containing any false, incomplete, or misleading information is subject to prosecution and punishment for insurance fraud, as provided in RSA 638:20.]

**[New Jersey** - Any person who knowingly files a statement of claim containing any false or misleading information is subject to criminal and civil penalties.]

**[New Mexico** – Any person who, with intent to defraud or knowing that he or she is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.]

**[North Carolina** – Any person who knowingly and with intent to injure, defraud, or deceive an insurer or insurance claimant is guilty of a Class H felony and may be subject to criminal and civil penalties.]

**[Ohio** - Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.]

**[Oklahoma** - WARNING: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing false, incomplete or misleading information is guilty of a felony.]

**[Oregon** - Any person who knowingly and willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly and willfully presents false information in an application for insurance may be guilty of a crime and may be subject to fines and confinement in prison.]

**[Pennsylvania** - Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.]

**[Vermont** - Any person who knowingly presents a false statement in an application for insurance may be guilty of a criminal offense and subject to penalties under state law.]

<b>INSURER NAME:</b>	Beazley Insurance Company, Inc.
<b>INSURER ADDRESS: ADMINISTRATIVE OFFICE</b>	[30 Batterson Park Road Farmington, CT 06032]
<b>INSURER ADDRESS: NOTICE OF CLAIM</b>	[30 Batterson Park Road Farmington, CT 06032]

### **CERTIFICATE OF INSURANCE**

Beazley Insurance Company, Inc. (We, Us, Our) hereby certifies that it has issued and delivered to the Policyholder a group Policy, described on the Schedule of Benefits page. The group Policy covers certain eligible persons as described in the Policy.

This Certificate describes the benefits and provisions of the group Policy. It becomes Your Certificate of Insurance only if: 1) You are eligible for the insurance; 2) You are Actively In Service on the date it is to take effect; and 3) You become insured and remain insured in accordance with the provisions of the Policy. The insurance is to be effective only if the required premium payments are made by You or on Your behalf to Us. No agent may change the Policy or waive any of its provisions.

IN WITNESS WHEREOF, We have caused this Certificate to take effect on the Effective Date.

[  
  
Secretary

[  
  
President

### **GROUP LIMITED MEDICAL INDEMNITY CERTIFICATE**

**THIS IS A LIMITED BENEFIT CERTIFICATE. BENEFITS PROVIDED ARE NOT INTENDED TO COVER ALL MEDICAL EXPENSES.**

### **[FIFTEEN DAY RIGHT TO EXAMINE CERTIFICATE**

If You decide that You do not want this Certificate for any reason, You may return it to Us within fifteen (15) days after the date You receive it [.] [for a full refund of any premium paid.] When it is returned, it will be considered void as though it were never issued.]

**The Policy is a contract between the Policyholder and the Company.**

**This Certificate is renewable at the option of the Company. Please read the Termination of Insurance provision of this Certificate.**

**READ YOUR CERTIFICATE CAREFULLY.**



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## SCHEDULE OF BENEFITS

<b>[INSURED [EMPLOYEE] NAME:</b>		[Employee]]	
<b>[INSURED DEPENDENT NAME(S):]</b>		[Spouse [or Domestic Partner]] [Dependent Child(ren)]	
<b>CERTIFICATE NUMBER:</b>	[XXXXXX]	<b>CERTIFICATE EFFECTIVE DATE:</b>	[10/15/2010]
<b>POLICYHOLDER NAME:</b>	[XYZ Company, Inc]	<b>POLICYHOLDER NUMBER:</b>	[XXXXX]

**ELIGIBILITY:** [ALL [PERMANENT] [EMPLOYEES,] [BETWEEN THE AGES OF 18 AND 69,]  
[WORKING [25] HOURS OR MORE PER WEEK AND] ACTIVELY IN  
SERVICE [AND [SPOUSES [OR DOMESTIC PARTNERS]] [AND/OR]  
[DEPENDENT CHILD(REN)] OF ELIGIBLE [EMPLOYEES]]]

**[PRE-EXISTING CONDITION PERIOD:** [3 Months]]

**[WAITING PERIOD FOR LATE ENTRANTS** [30][60][90] Days]

**RATE GUARANTEE PERIOD** [3 Years]

**[[INITIAL] [MONTHLY] PREMIUM** [\$9.99]]

### BENEFIT(S)

### BENEFIT AMOUNTS/MAXIMUMS

#### **HOSPITAL CONFINEMENT**

[Benefit Amount  
[Days 1-5  
Days 6-[15][30][60]  
[Per Confinement Maximum  
Calendar Year Maximum

[\$100 to \$2,000] per day  
[\$100 to \$2,000] per day  
[\$50 to \$1,000] per day  
[15, 30, 60] days per Insured]  
[15, 30, 60] days per Insured

#### **[HOSPITAL INTENSIVE CARE UNIT**

Benefit Amount  
Calendar Year Maximum

[\$100 to \$3,000] per day  
[15, 30] days per Insured]

#### **[SURGICAL**

Inpatient Surgery Benefit Amount  
Outpatient Surgery Benefit Amount  
Calendar Year Maximum for Inpatient Surgery  
Calendar Year Maximum for Outpatient Surgery

[\$100 to \$1000] Per surgery  
[\$50 to \$375] Per surgery  
[1-2] surger[y][ies] per Insured  
[1-2] surger[y][ies] per Insured]

#### **[ANESTHESIA**

Benefit Amount  
  
Calendar Year Maximum

[20% of the Surgical Benefit paid][25 to  
\$200] per surgery  
[\$100, \$200] per Insured]

#### **[PHYSICIAN OFFICE/URGENT CARE FACILITY VISIT INDEMNITY**

Benefit Amount  
Calendar Year Maximum

[\$15 to \$125] per visit  
[3 to 6] visits per Insured]

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**[EMERGENCY ROOM**

Benefit Amount per Sickness	[\$50 to \$150] per visit
Benefit Amount per Injury	[\$100 to \$300] per visit
Calendar Year Maximum	[1 to 3] visit[s] per Insured]

**[X-RAY AND LABORATORY TESTING**

Benefit Amount for X-Ray	[\$50 to \$250] per day
Benefit Amount for Laboratory Test	[\$25 to \$100] per day
Calendar Year Maximum for X-Ray	[3 to 5] days per Insured
Calendar Year Maximum for Laboratory Test	[3 to 5] days per Insured]

**[MAJOR DIAGNOSTIC TESTING**

Benefit Amount	[\$250 to \$500] per test
Calendar Year Maximum	[1 to 2] test[s] per Insured]

**[PREVENTIVE CARE VISIT**

Benefit Amount	[\$25 to \$75] per visit
Calendar Year Maximum	[1, 2] visit[s] per Insured]

**[GROUND AMBULANCE**

Benefit Amount	[\$50, \$100] per trip
Calendar Year Maximum	[1, 2] trip[s] per Insured]

**[AIR AMBULANCE**

Benefit Amount	[\$150, \$300] per trip
Calendar Year Maximum	1 trip per Insured]

**[SKILLED NURSING CARE FACILITY**

Benefit Amount	[\$100 to \$250] per day
Calendar Year Maximum	[15, 30] days per Insured]

**[MENTAL ILLNESS and SUBSTANCE ABUSE CONFINEMENT**

Benefit Amount	[\$100 to \$250] per day
Calendar Year Maximum	[15, 30] days per Insured]

**[HOSPITAL ADMISSION – LUMP SUM**

Benefit Amount	[\$100 to \$2,500]
Calendar Year Maximum	[1, 2] admission[s] per Insured]

**[MENTAL ILLNESS AND SUBSTANCE ABUSE ADMISSION – LUMP SUM**

Benefit Amount	[\$150, \$250]
Calendar Year Maximum	1 admission per Insured]

**[TRANSPLANT TRAVEL LUMP SUM**

Benefit Amount	[\$250 to \$1,000]
Calendar Year Maximum	1 occurrence per Insured]

**[PRESCRIPTION DRUG INDEMNITY**

Benefit Amount	[\$5 to \$25] for each Prescription Drug
Calendar Year Maximum	[5 to 12] Prescriptions per Insured]

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## **DEFINITIONS**

**ACCIDENT** means an external event occurring by chance or unintentionally, independent of any Sickness.

**[ACTIVELY IN SERVICE]** means that You are:

- (1) performing in the usual manner, all of the Material and Substantial Duties of Your [employment] for the regularly scheduled number of hours on a scheduled work day; and
- (2) the Material and Substantial Duties are being performed at one of the places of business where You normally perform such duties or at some location to which Your [employment] sends You.

You will be said to be Actively in Service on a day that is not a scheduled work day only if You are able to perform in the usual manner all of the regular duties of Your [employment] if it were a scheduled work day.]

**[ACTIVELY IN SERVICE]** means that You are:

- (1) not an in-patient in a Hospital, Skilled Nursing Facility, rehabilitation hospital, convalescent/personal care facility or receiving outpatient care and/or therapy that affects Your ability to perform Your regular duties on a scheduled basis;
- (2) not confined at home under the care of a Physician for a treatment of a bodily injury or sickness; or
- (3) able to perform [4-6] of the Activities of Daily Living.

**ACTIVITIES OF DAILY LIVING** means the following basic daily tasks necessary to maintain a person's health and safety:

- (1) Bathing: washing oneself by sponge bath; or in either a tub or shower, including the task of getting into or out of the tub or shower.
- (2) Continence: ability to maintain control of bowel and bladder function; or, when not able to maintain control of bowel or bladder function, the ability to perform related personal hygiene (including caring for a catheter or colostomy bag).
- (3) Dressing: putting on and taking off all items of clothing and any required braces, fasteners or artificial limbs.
- (4) Eating: feeding oneself by getting food into the body from a receptacle (such as a plate, cup or table) or by feeding tube or intravenously.
- (5) Toileting: getting to and from the toilet, getting on and off the toilet, and performing related personal hygiene.
- (6) Transferring: moving into or out of a bed, chair or wheelchair.]

**CALENDAR YEAR** means the period beginning on the coverage Effective Date shown on the Certificate Schedule and ending on December 31 of the same year. Thereafter, it is the period beginning on January 1 and ending on December 31 of each following year.

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**CERTIFICATE** means the individual Certificate issued to You. It describes Your coverage under the Policy.

**COMPLICATIONS OF PREGNANCY** means any of the following:

- (1) a condition that, while affected by pregnancy, is still classified by accepted medical standards as a Sickness apart from the normal bodily changes that accompany pregnancy;
- (2) a non-elective Caesarean section;
- (3) an extra-uterine or ectopic pregnancy; or
- (4) a spontaneous termination of pregnancy during a period of gestation in which a viable birth is not possible.

Complications of Pregnancy do not include: false labor, premature labor, high risk pregnancy or delivery, occasional spotting, Physician-prescribed rest, morning sickness, pre-eclampsia or placenta previa or similar conditions that occur in a difficult pregnancy.

**CONFINED OR CONFINEMENT** means the assignment to a bed as a resident inpatient in a Hospital, or confinement in an Observation Unit within a Hospital for a period of 23 or more continuous hours, on the advice of a Physician.

**[DEPENDENT CHILD(REN)]** means all of Your children who are unmarried and less than 26 years of age. However, if any Dependent Child is incapable of self-sustaining employment due to mental retardation or physical handicap and is dependent on a parent(s) for support, such age limit of 26 shall not apply. Proof of such incapacity and dependency must be furnished to Us.

Child(ren) means Your biological children, stepchildren, adopted children, foster children or any child for whom You are required by a court or administrative order to provide health coverage.]

**[DOMESTIC PARTNER]** means a person of the [same] [or] [opposite] sex who:

- [(1) is at least 18 years old and legally capable to enter into a contract][:;]
- [(2) is not related by blood to You more closely than is permissible for marriage in the state of residence][:;]
- [(3) is not married or legally separated][:;]
- [(4) has not been party to an action or proceeding for divorce or annulment within the last 6 months, or has been a party to such an action or proceeding and at least 6 months have elapsed since the date of the judgment terminating the marriage][:;]
- [(5) is not currently in a domestic partnership with a different domestic partner and has not been in such a relationship for at least 6 months][:;]
- [(6) occupies the same residence as You][:;]
- [(7) has not entered into a domestic partnership relationship that is temporary, social, political, commercial or economic in nature][:;] [and]

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[(8) has entered into a Domestic Partnership Agreement with You].]

**[DOMESTIC PARTNERSHIP AGREEMENT]** means an arrangement between You and another person of the [same] [or] [opposite] sex that includes 3 of the following:

- (1) joint lease, mortgage or deed;
- (2) joint ownership of a vehicle;
- (3) joint ownership of a checking account or credit account;
- (4) designation of the Domestic Partner as the beneficiary of Your life insurance or retirement benefits;
- (5) designation of the Domestic Partner as the beneficiary of Your will;
- (6) designation of the Domestic Partner as holding power of attorney for health care; and
- (7) shared household expenses.]

**EFFECTIVE DATE** means the date described in the Policy. The date shown in Your Certificate Schedule of Benefits will be the Effective Date of coverage. The Effective Date will start at 12:01 a.m. at the main place of business of the Policyholder.

**EMERGENCY ROOM** means a facility located on the premises of, or physically part of, a Hospital that provides initial Treatment to patients with Sickness or Injury requiring immediate attention. An Emergency Room is specially equipped and staffed to provide emergency care.

**[EMPLOYEE]** means a person who is Actively in Service as [an employee] of the Policyholder.

**HOSPITAL** means a general acute care facility that meets all of the following:

- (1) it is licensed as a Hospital pursuant to applicable law;
- (2) it is primarily and continuously engaged in providing medical care and treatment to sick and injured persons;
- (3) it is managed under the supervision of a staff of medical doctors;
- (4) it provides 24-hour nursing services by or under the supervision of a graduate registered nurse (R.N.);
- (5) it has medical, diagnostic and treatment facilities, with major surgical facilities on its premises, or available on a prearranged basis;
- (6) it charges for its services. This requirement is waived for Veterans Administration Hospitals and Federal Government Hospitals.

Hospital does not include any of the following:

- (1) a rest or nursing home, home for the aged, or convalescent home;
- (2) a Skilled Nursing Care Facility, rehabilitation center, extended care facility, or assisted living center; or

- 
- (3) a hospice, custodial care facility, or birthing center; or
  - (4) a Mental Illness/Substance Abuse Treatment Facility.

**[HOSPITAL INTENSIVE CARE UNIT** means a place which:

- (1) is a specifically designated area of the Hospital called an intensive care unit that is restricted to patients who are critically ill or injured and who require intensive, comprehensive observation and care;
- (2) is separate and apart from the surgical recovery room and from rooms, beds and wards customarily used for patient confinement;
- (3) is permanently equipped with special lifesaving equipment for the care of the critically ill or injured;
- (4) is under constant and continuous observation by a specially trained nursing staff assigned exclusively to the intensive care unit on a 24 hour basis; and
- (5) has a Physician assigned to the intensive care unit on a full-time basis.

A Hospital Intensive Care Unit that meets the definition above may include hospital units with the following names:

- (1) Intensive Care Unit;
- (2) Coronary Care Unit;
- (3) Neonatal Intensive Care Unit;
- (4) Pulmonary Care Unit;
- (5) Burn Unit; or
- (6) Transplant Unit.

A Hospital Intensive Care Unit is not any of the following step-down units:

- (1) a progressive care unit;
- (2) an intermediate care unit;
- (3) a private monitored room;
- (4) sub-acute intensive care unit;
- (5) an observation unit; or
- (6) any facility not meeting the definition of a Hospital Intensive Care Unit as defined in this Certificate.]

**INJURY** means bodily injury due to an Accident sustained directly and independently of all other Accidents or Sickness. It includes all complications of and all Injuries from the same Accident.

**INPATIENT SURGERY** means a surgical procedure performed on an Insured who is Confined as a registered bed patient in a Hospital or other medical facility.

**INSURED(S)** means the You [and] [.,] [Your Spouse [or Domestic Partner]] [and/or Your Dependent Child(ren)] as indicated in the Certificate Schedule.

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**INVESTIGATIONAL OR EXPERIMENTAL** means care, treatment, services or supplies not approved or recognized for the treatment of Injury or Sickness by any of the following:

- (1) The American Medical Association;
- (2) The United States Surgeon General;
- (3) The United States Department of Public Health;
- (4) The National Institute of Health; or
- (5) Medicare.

Drugs are considered investigational or experimental if they are not:

- (1) commercially available for purchase; and
- (2) approved by the Food and Drug Administration for general use.

**[LATE ENTRANT** means a[n] [Employee] who applies for coverage more than 31 days after becoming eligible.]

**[MATERIAL AND SUBSTANTIAL DUTIES** means the duties that are:

- (1) are normally required for the performance of Your [employment]; and
- (2) cannot be reasonably omitted or modified.]

**MEDICALLY NECESSARY** means any services, tests, office visits, drugs, or supplies:

- (1) needed to diagnose, treat symptoms or medical conditions, or provide preventative care in a manner generally accepted by the medical community;
- (2) ordered, prescribed, recommended, or approved by a Physician to diagnose or treat symptoms or a specific medical condition;
- (3) not simply for the convenience of Physician or patient; and
- (4) not used for Investigational or Experimental Treatment.

**MENTAL ILLNESS** means any diagnosed condition listed in the Diagnostic and Statistical Manual of Mental Disorders most recent edition, revised (DSM) for which treatment is commonly sought from a psychiatrist or mental health provider. Diagnoses described in the DSM will be considered mental illness, regardless of etiology.

**MENTAL ILLNESS / SUBSTANCE ABUSE TREATMENT FACILITY** means a facility that provides inpatient Treatment for Mental Illness and/or Substance Abuse. Mental Illness/Substance Abuse Treatment Facility is a place which:

- (1) is established and operated pursuant to applicable state laws;
- (2) provides the following basic services:
  - (a) room and board;
  - (b) evaluation and diagnosis;
  - (c) counseling; and



- 
- (3) has or maintains a written, specific, and detailed regimen requiring full-time residence and full-time participation by the Insured;

A Mental Illness/Substance Abuse Treatment Facility does not include a unit or wing within a Hospital, a half-way house, a group home, a recovery farm, or any similar facility.

**OBSERVATION UNIT** means a specified area within a Hospital, apart from the Emergency Room, where a patient can be monitored following Outpatient Surgery or Treatment in the Emergency Room by a Physician, and which:

- (1) is under the direct supervision of a Physician or registered nurse;
- (2) is staffed by nurses assigned specifically to that unit; and
- (3) provides care seven days per week, 24 hours per day.

**OUTPATIENT SURGERY** means a surgical procedure performed on an Insured who is not Confined, but who utilizes a Hospital, ambulatory surgical facility or other similar medical facility for the surgery.

**[PHARMACIST** means an individual operating within the scope of his or her license in the state where so licensed to dispense Prescription Drugs.]

**[PHARMACY** means a retail location [or mail order facility] operating in accordance with the State Board of Pharmacy or other governing body where Prescription Drugs are dispensed by a Pharmacist.]

**PHYSICIAN** means a practitioner of the healing arts who:

- (1) is practicing within the scope of his or her license in the state where so licensed; and
- (2) is not related to the Insured.

**POLICY** means the Policy issued to the Policyholder that covers the Insured.

**POLICYHOLDER** means the employer, association or other organization who holds the Policy.

**[PRE-EXISTING CONDITION** means any sickness, disease, or physical condition for which the Insured has:

- (1) had Treatment; or
- (2) received a diagnosis or advice from a Physician,  
during the Pre-Existing Condition Period indicated on the Schedule of Benefits, immediately before the Effective Date of Coverage.]

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**[PRESCRIPTION** means a written, electronic, or oral order for a drug, authorized by a Physician. A Prescription may be written to provide a sufficient amount of medication necessary for the duration of the Sickness or an amount sufficient to cover the interval between visits to the prescribing Physician, but it may not be dispensed more than once every [31] days for a 30 day supply from a retail Pharmacy, or once every [91] days for a 90 day supply from a mail-order Pharmacy.]

**[PRESCRIPTION DRUG** means a drug which, under state or federal law, requires a Prescription to dispense. Prescription Drug does not include any of the following:

- (1) all over-the-counter (OTC) products and medications. This includes, but is not limited to, electrolyte replacement, infant formulas, miscellaneous nutritional supplements and all other OTC products and medications;
- (2) medical supplies and durable medical equipment;
- (3) liquid nutritional supplements, pediatric vitamins, prenatal vitamins, prescribed versions of vitamins A, D, K, B12, folic acid and niacin used in treatment versus as a dietary supplement, and all other vitamins and nutritional supplements;
- (4) anorexiant, any cosmetic drugs including, but not limited to, Renova, skin pigmentation preps, any drugs or products used for the treatment of baldness, and topical dental fluorides;
- (5) refills in excess of that specified by the prescribing Physician, or refills dispensed after one year from the original date of the Prescription;
- (6) drugs needed due to conditions caused, directly or indirectly, by an Insured taking part in a riot or other civil disorder, or the Insured taking part in the commission of a felony;
- (7) drugs needed due to conditions caused, directly or indirectly, by declared or undeclared war or an act of war, or drugs dispensed to an Insured while on active duty in any armed forces;
- (8) any expenses related to the administration of a drug;
- (9) needles or syringes for the administration of a drug;
- (10) drugs covered under Workers' Compensation, Medicare, Medicaid, or other governmental programs;
- (11) drugs, medicines, or products which are not Medically Necessary; or
- (12) smoking deterrents.]

**SCHEDULE OF BENEFITS (or Schedule)** means the benefit schedule set forth in the Policy or Certificate.

**SICKNESS** means an illness or disease that starts while the Insured's coverage is in force. Sickness includes pregnancy and Complications of Pregnancy.

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**SKILLED NURSING CARE FACILITY** means a place where an Insured goes to recover from a Sickness and that:

- (1) is a legally operated facility that can be part of a hospital;
- (2) operates 24 hours a day and will accept inpatients on an overnight basis;
- (3) is supervised by a Physician;
- (4) has a 24-hour a day nursing staff which is supervised by a registered nurse; and
- (5) keeps written daily records for each patient.

Notwithstanding the above, a Skilled Nursing Care Facility is not:

- (1) a rest home or a home for the aged;
- (2) a place that provides mostly custodial care; or
- (3) a place for alcoholics or drug addicts.

**[SPOUSE** means the person recognized as Your spouse under the laws of the state in which You reside.].

**SUBSTANCE ABUSE** means the psychological or physical dependence on or addiction to alcohol, drugs and other controlled substances.

**[TRANSPLANT** means the Medically Necessary transfer of one or a combination of any of the following organs:

- (1) kidney;
- (2) pancreas;
- (3) heart;
- (4) lung (single or double); or
- (5) liver.

Transplant does not include any Investigational or Experimental services.].

**TREATMENT** means consultation, care or services provided by a Physician including diagnostic measures and taking prescribed drugs and medicines.

**[URGENT CARE FACILITY** means a free-standing facility that is engaged primarily in providing minor emergency and episodic, medical care. A Physician, a registered nurse and a registered x-ray technician must be in attendance at all times that the facility is open. It must be licensed as an Urgent Care Facility, if required by law.].

**YOU, YOUR** means the insured [Employee] as shown in the Certificate Schedule of Benefits.

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## **ELIGIBILITY AND EFFECTIVE DATE**

### **ELIGIBILITY**

All [Employees] who:

- (1) meet the definition of Actively in Service;
  - (2) qualify as eligible Insureds as defined in the Policyholder's application; and
  - (3) meet the definition of Eligibility as stated on the Schedule,
- are eligible to be insured under the Policy. Evidence of insurability acceptable to Us may be required.

### **[ELIGIBILITY OF DEPENDENTS]**

An eligible [Employee] may enroll his or her [Spouse [or Domestic Partner]] [and/or] [Dependent Child(ren)]. [An individual cannot be covered as [an Employee] and a [Spouse [or Domestic Partner]] at the same time.] [A Dependent Child may only be covered by one [Employee] if both parents are [Employees] and covered separately under the Policy.]]

### **EFFECTIVE DATE**

The Effective Date for [an Employee] is as follows:

- (1) [An Employee's] coverage will be effective on the date shown on the Certificate Schedule provided the [Employee] is then Actively in Service.
- (2) If [an Employee] is not Actively in Service on the date coverage would otherwise become effective, the Effective Date of his coverage will be the date on which such [Employee] is first thereafter Actively in Service.

[The Effective Date for a Late Entrant will be the next anniversary date shown on the Policy Schedule of Benefits.]

[The Effective Date for a [Spouse [or Domestic Partner]] [and/or] [Dependent Child(ren)] is the date shown on the Certificate Schedule subject to the following:

- (1) The date the [Employee's] coverage is effective for a [Spouse [or Domestic Partner]] [and/or] [Dependent Child(ren)] who [is] [are] eligible on that date; for whom coverage is applied for and premium paid; and who [is] [are] not hospital confined.
- (2) At 12:00 a.m. Standard Time, on the day a [Spouse [or Domestic Partner]] [and/or] [Dependent Child(ren)] [is] [are] no longer hospital confined if the [Spouse [or Domestic Partner]] [and/or] [Dependent Child(ren)] [was] [were] otherwise eligible for coverage on the date the [Employee's] coverage became effective.
- (3) For a dependent eligible on or first acquired after Your Effective Date, the Effective Date will be:
  - [(a) For newborn children and newborn adopted children, the Effective Date is the moment of birth. We must receive notification of birth within 90 days after the date of birth for coverage to continue for the newborn beyond the 90 day period. For newborn adopted children, a petition for adoption must be filed within 60 days of

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- birth. Coverage ends for newborn adopted children if the petition for adoption is dismissed or denied.】
- [(b) For other adopted children, the Effective Date is the date a petition for adoption is filed. We must receive notification of newly adopted children within 60 days from the date the petition for adoption is filed for coverage to continue for the adopted children beyond the 60 day period. Coverage ends for adopted children if the petition for adoption is dismissed or denied.】
- [(c) For foster children, the Effective Date is the date of placement in Your home. We must receive notification of foster children within 31 days from the date of placement into Your home for coverage to continue for the foster children beyond the 31 day period.】
- [(d) For a 【Spouse 【or Domestic Partner】】 or any other dependent eligible on or first acquired after the 【Employee's】 Effective Date, the Effective Date is the date We assign after approving that application for his or her coverage.】

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## **BENEFITS**

The following benefits are subject to the terms, conditions, limitations, exclusions, and maximums specified in the Policy. Benefits are not payable for expenses incurred or confinement that begins prior to the Certificate Effective Date.

### **HOSPITAL CONFINEMENT BENEFIT**

We will pay the benefit shown on the Schedule of Benefits if an Insured is Confined and receiving Treatment in a Hospital due to Sickness or Injury. Confinement in a Hospital must begin while this coverage is in force. [For Late Entrants, Confinement must begin and charges must be incurred after coverage has been in force for the number of days listed as the Waiting Period shown on the Schedule of Benefits.]

The total benefits payable will not exceed the Hospital Confinement Benefit amount shown on the Schedule of Benefits for each day the Insured is Confined, up to the maximum number of days per [Confinement and the maximum number of days per] Calendar Year shown on the Schedule.

The Hospital Confinement Benefit will not be paid for:

- (1) Emergency Room Treatment;
- (2) outpatient Treatment; or
- (3) Confinement of less than 23 hours in an observation unit.

[We will not pay the Hospital Confinement Benefit and the [Hospital Intensive Care Unit Confinement Benefit] [,] [Skilled Nursing Care Facility Benefit] [or] [Mental Illness and Substance Abuse Benefit] concurrently.]

### **[HOSPITAL INTENSIVE CARE UNIT BENEFIT**

We will pay the benefit shown on the Schedule of Benefits if any Insured incurs charges for and is Confined to a Hospital Intensive Care Unit due to Sickness or Injury. Confinement in a Hospital Intensive Care Unit must begin while this coverage is in force. [For Late Entrants, Confinement must begin and charges must be incurred after coverage has been in force for the number of days listed as the Waiting Period shown on the Schedule of Benefits.]

The total benefits payable will not exceed the Hospital Intensive Care Unit Benefit amount shown on the Schedule of Benefits for each day the Insured is Confined, up to the maximum number of days per Calendar Year shown on the Schedule.

If an Insured is Confined to a Hospital care unit that does not meet this Certificate's definition of a Hospital Intensive Care Unit, We will pay the Hospital Confinement Benefit shown on the Schedule of Benefits for each day the Insured is Confined, up to the maximum number of days per Calendar Year for the Hospital Confinement Benefit shown on the Schedule of Benefits.

We will not pay the Hospital Intensive Care Unit Confinement Benefit and the Hospital Confinement Benefit [,] [Mental Illness and Substance Abuse Benefit] [or] [Skilled Nursing Care Benefit] concurrently.

If the maximum number of days shown on the Schedule of Benefits have been paid for the Hospital Confinement Intensive Care Unit Benefit, any additional days of Hospital Intensive Care Unit confinement will be paid under the Hospital Confinement Benefit, provided that We will not pay more than the maximum number of days [per Confinement or] per Calendar Year for

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the Hospital Confinement Benefit shown on the Schedule of Benefits.]

### **[SURGICAL BENEFIT**

We will pay the benefit shown on the Schedule of Benefits when an Insured incurs charges for Inpatient Surgery or Outpatient Surgery due to Sickness or Injury. [For Late Entrants, charges must be incurred after coverage has been in force for the number of days listed as the Waiting Period shown on the Schedule of Benefits.]

The procedure must be performed by a Physician using anesthesia administered by a licensed anesthesiologist or certified registered nurse anesthetist (CRNA).

Benefits will be paid once per covered surgical procedure. If an Insured has more than one surgical procedure performed on the same day, We will pay only one Surgical Benefit, even if caused by more than one Injury or Sickness. We will pay the benefit that has the highest dollar value. We will not pay the Inpatient Surgery Benefit and the Outpatient Surgery Benefit concurrently.

The total benefits payable per Calendar Year will not exceed the maximum number of surgeries shown on the Schedule of Benefits per Calendar Year.

### **[ANESTHESIA BENEFIT**

We will pay the benefit shown on the Schedule of Benefits if an Insured incurs charges for and receives general anesthesia administered by an anesthesiologist or a Certified Registered Nurse Anesthetist (CRNA) during a surgical procedure for which a benefit is payable under the Policy. [For Late Entrants, charges must be incurred after coverage has been in force for the number of days listed as the Waiting Period shown on the Schedule of Benefits.]

If more than one surgical procedure is performed at the same time, We will pay only one Anesthesia Benefit. The Anesthesia Benefit will be paid for the surgical procedure performed that has the highest dollar value.

The Anesthesia Benefit will be paid only if a Surgical Benefit is also paid.

The total benefits payable per Calendar Year will not exceed the maximum shown on the Schedule of Benefits per Calendar Year.]

### **[PHYSICIAN OFFICE/URGENT CARE FACILITY VISIT INDEMNITY BENEFIT**

We will pay the benefit shown on the Schedule of Benefits when an Insured incurs charges for and requires services rendered by a Physician at a Physician's office or Urgent Care Facility due to Sickness or Injury. [For Late Entrants, charges must be incurred after coverage has been in force for the number of days listed as the Waiting Period shown on the Schedule of Benefits.]

The Physician Office/Urgent Care Facility Visit Indemnity Benefit is not payable for services rendered by a Physician while an Insured is confined to a Hospital or receiving Treatment in an Emergency Room.

The total benefits payable for each visit will not exceed the Physician Office/Urgent Care Facility Visit Indemnity Benefit amount shown on the Schedule of Benefits, up to the maximum number of visits per Calendar Year shown on the Schedule.

[We will not pay the Physician Office/Urgent Care Facility Visit Indemnity Benefit and [the

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Preventive Care Visit Benefit] [or] [the Emergency Room Benefit] concurrently.]]

### **[EMERGENCY ROOM BENEFIT**

We will pay the benefit shown on the Schedule of Benefits when an Insured incurs charges for and receives Treatment rendered in an Emergency Room due to Sickness or Injury. Treatment for an Injury must be received within [72] hours of the Accident causing such Injury.

The total benefits payable for each visit will not exceed the Emergency Room Benefit amount shown on the Schedule of Benefits, up to the maximum number of visits per Calendar Year shown on the Schedule.

[We will not pay the Emergency Room Benefit and [the Physician Office/Urgent Care Facility Visit Indemnity Benefit] [or] [the Preventive Care Visit Benefit] concurrently.]]

### **[X-RAY AND LABORATORY TESTING BENEFIT**

We will pay the benefit shown on the Schedule of Benefits if an Insured incurs charges for and undergoes any type of X-ray or laboratory testing that is ordered by a Physician. [For Late Entrants, the charges must be incurred after coverage has been in force for the number of days listed as the Waiting Period shown on the Schedule of Benefits.]

The service must be performed:

- (1) while the coverage is in force; and
- (2) in a Hospital, Physician's office, Urgent Care Facility, Emergency Room, or other appropriately licensed stand-alone healthcare facility that provides diagnostic services.

The total benefits payable per day will not exceed the X-Ray and Laboratory Testing Benefit amounts shown on the Schedule of Benefits, up to the maximum amounts shown on the Schedule.

This benefit is not payable for X-rays or laboratory tests received while an Insured is Confined to a Hospital.]

### **[MAJOR DIAGNOSTIC TESTING BENEFIT**

We will pay the benefit shown on the Schedule of Benefits if an Insured incurs charges for and undergoes a major diagnostic test that is ordered by a Physician. For purposes of this benefit, major diagnostic test is an MRI (magnetic resonance imaging), a CT (computed tomography) scan, or a PET (positron emission tomography) scan. [For Late Entrants, the charges must be incurred after coverage has been in force for the number of days listed as the Waiting Period shown on the Schedule of Benefits.]

The procedure must be performed:

- (1) while the coverage is in force; and
- (2) in a Hospital, Physician's office, Urgent Care Facility, Emergency Room, or other appropriately licensed stand-alone healthcare facility that provides diagnostic services.

The total benefits payable per procedure will not exceed the Major Diagnostic Testing Benefit amount shown on the Schedule of Benefits, up to the maximum number of tests per Calendar Year shown on the Schedule. ]



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### **[PREVENTIVE CARE VISIT BENEFIT**

We will pay the benefit shown on the Schedule of Benefits if an Insured incurs charges for a Physician's office visit for preventive care. [For Late Entrants, the charges must be incurred after coverage has been in force for the number of days listed as the Waiting Period shown on the Schedule of Benefits.] For purposes of this Certificate, preventive care is defined as:

- (1) immunizations;
- (2) well baby care, including immunizations;
- (3) prostate cancer screenings;
- (4) preventive Physician office visits;
- (5) colorectal screenings;
- (6) pap smears;
- (7) mammograms; and
- (8) routine physical exams.

The total benefits payable for each visit will not exceed the Preventive Care Visit Benefit amount shown on the Schedule of Benefits, up to the maximum number of visits per Calendar Year shown on the Schedule

[We will not pay the Preventive Care Visit Benefit and [the Physician Office/Urgent Care Facility Visit Indemnity Benefit] [or] [the Emergency Room Benefit] concurrently.]]

### **[GROUND AMBULANCE BENEFIT**

We will pay the benefit shown on the Schedule of Benefits if an Insured incurs charges for and requires transportation by a licensed professional ground ambulance company to or from a Hospital or between medical facilities, where Treatment is received as the result of a Sickness or Injury.

The total benefits payable per trip will not exceed the Ground Ambulance benefit amount shown on the Schedule of Benefits, up to the maximum number of trips per Calendar Year shown on the Schedules.]

### **[AIR AMBULANCE BENEFIT**

We will pay the benefit shown on the Schedule of Benefits if an Insured incurs charges for and requires transportation by a licensed professional air ambulance company to or from a Hospital or between medical facilities, where Treatment is received as the result of a Sickness or Injury.

The total benefits payable per trip will not exceed the Air Ambulance Benefit amount shown on the Schedule of Benefits, up to the maximum number of trips per Calendar Year shown on the Schedule.]

### **[SKILLED NURSING CARE FACILITY BENEFIT**

We will pay the benefit shown on the Schedule of Benefits for each day an Insured is Confined to and incurs charges for Confinement in a Skilled Nursing Care Facility due to Sickness or Injury. Confinement must begin while the coverage is in force and immediately following a Hospital Confinement of at least 3 days. [For Late Entrants, Confinement must begin and the

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charges must be incurred after coverage has been in force for the number of days listed as the Waiting Period shown on the Schedule of Benefits.]

The total benefits payable will not exceed the Skilled Nursing Care Facility Benefit amount shown on the Schedule of Benefits, up to the maximum number of days per Calendar Year shown on the Schedule.

We will not pay the Skilled Nursing Care Facility Benefit for:

- (1) Emergency Room Treatment;
- (2) outpatient Treatment; or
- (3) Confinement of less than 23 hours in an Observation Unit.

We will not pay the Skilled Nursing Care Facility Benefit and the Hospital Confinement Benefit [,] [Hospital Intensive Care Unit Confinement Benefit] [or] [Mental Illness and Substance Abuse Benefit] concurrently.]

### **[MENTAL ILLNESS AND SUBSTANCE ABUSE CONFINEMENT BENEFIT**

We will pay the benefit shown on the Schedule of Benefits if an Insured is Confined and receiving Treatment for Mental Illness or Substance Abuse in a Mental Illness/Substance Abuse Treatment Facility. Confinement in a Mental Illness/Substance Abuse Treatment Facility must begin while this coverage is in force. [For Late Entrants, Confinement must begin and the charges must be incurred after coverage has been in force for the number of days listed as the Waiting Period shown on the Schedule of Benefits.]

We will not pay the Mental Illness and Substance Abuse Benefit for:

- (1) any Treatment provided in a Hospital, an Emergency Room, or an Observation Unit; or
- (2) Outpatient Treatment.

The total benefits payable will not exceed the Mental Illness and Substance Abuse Benefit amount shown on the Schedule of Benefits, up to the maximum number of days per Calendar Year shown on the Schedule.

We will not pay the Mental Illness and Substance Abuse Benefit and the Hospital Confinement Benefit[, ] [Hospital Intensive Care Unit Confinement Benefit] [or] [Skilled Nursing Care Benefit] concurrently.]

### **[HOSPITAL ADMISSION — LUMP SUM BENEFIT**

We will pay the benefit shown on the Schedule of Benefits if an Insured is admitted and Confined to a Hospital due to Sickness or Injury. [For Late Entrants, Confinement must begin after coverage has been in force for the number of days listed as the Waiting Period shown on the Schedule of Benefits.]

The total benefits payable will not exceed the Hospital Admission Lump Sum Benefit amount shown on the Schedule of Benefits, up to the maximum number of admissions per Calendar Year shown on the Schedule.

[We will not pay the Hospital Admission Lump Sum Benefit and the Mental Illness and Substance Abuse Lump Sum Benefit concurrently.]]

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#### **[MENTAL ILLNESS AND SUBSTANCE ABUSE ADMISSION– LUMP SUM BENEFIT**

We will pay the benefit shown on the Schedule of Benefits if an Insured is admitted to, Confined and receiving inpatient Treatment in a Mental Illness/Substance Abuse Treatment Facility. [For Late Entrants, Confinement must begin after coverage has been in force for the number of days listed as the Waiting Period shown on the Schedule of Benefits.]

The total benefits payable will not exceed the Mental Illness and Substance Abuse Lump Sum Benefit shown on the Schedule of Benefits, up to the maximum number of admissions per Calendar Year shown on the Schedule.

[We will not pay the Mental Illness and Substance Abuse Admission Lump Sum Benefit and the Hospital Admission Lump Sum Benefit concurrently.]]

#### **[TRANSPLANT TRAVEL LUMP SUM BENEFIT**

We will pay the benefit shown on the Schedule of Benefits if an Insured travels more than 100 miles from his or her primary residence for purposes of obtaining a Transplant. [For Late Entrants, the Transplant must occur after coverage has been in force for the number of days listed as the Waiting Period shown on the Schedule of Benefits.]

The total benefits payable will not exceed the Transplant Travel Lump Sum Benefit amount shown on the Schedule of Benefits, up to the maximum number of occurrences per Calendar Year shown on the Schedule.]

#### **[PRESCRIPTION DRUG INDEMNITY BENEFIT**

We will pay the benefit shown on the Schedule of Benefits if the Insured incurs charges for a Prescription Drug dispensed by a Pharmacy. The Prescription must be dispensed on or after the Certificate Effective Date. [For Late Entrants, the Prescription Drug must be dispensed after coverage has been in force for the number of days listed as the Waiting Period shown on the Schedule of Benefits.]

The total benefits payable will not exceed the Prescription Drug Indemnity Benefit amount shown on the Schedule of Benefits, multiplied by the maximum number of Prescriptions per Calendar Year shown on the Schedule.]

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## **[LIMITATIONS**

### **[PRE-EXISTING CONDITION LIMITATION**

We will not pay benefits for charges, services, or supplies incurred as a result of a Pre-Existing Condition within 12 months of an Insured's Effective Date.

[If the Insured was covered under a prior carrier's group limited medical indemnity policy at the date of change in coverage to a group limited medical indemnity policy provided by Us and was not subject to a Pre-Existing Condition limitation under the prior carrier's policy, there shall be no Pre-Existing Condition limitation under Our Policy. However, if the Insured was subject to a Pre-Existing Condition limitation under the prior carrier's policy, credit will be given toward satisfaction of the Pre-Existing Condition limitation of Our Policy for that period of time that the Insured was continuously covered under the prior carrier's policy.]

A claim for benefits diagnosed after 12 months from an Insured's Effective Date will not be reduced or denied on the grounds that it is caused by a Pre-Existing Condition.]

### **[WAITING PERIOD FOR LATE ENTRANTS**

For all benefits except [the Emergency Room Benefit][,] [and] [the Ground Ambulance Benefit] [and] [the Air Ambulance Benefit],] no benefits are payable for a Late Entrant until the coverage has been in force the number of days listed as the Waiting Period shown on the Schedule of Benefits.

Late Entrants will be eligible for all benefits listed on the Schedule of Benefits for charges, services, or supplies incurred after the Waiting Period.]]

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## **EXCLUSIONS**

The Policy does not provide any benefits for the following:

- (1) services or supplies that are not Medically Necessary, even if prescribed, recommended, or approved by a Physician;
- (2) intentionally self-inflicted Injury or suicide attempt while sane or insane;
- (3) voluntary abortion except, with respect to You or the Your Dependent Spouse:
  - (a) where You or Your Dependent Spouse's life would be endangered if the fetus were carried to term, or
  - (b) where medical complications have arisen from abortion;
- (4) pregnancy of a Dependent Child, except Complications of Pregnancy;
- (5) procedures, services, or drugs related to artificial insemination, in vitro or test tube fertilization, including any related testing;
- (6) procedures, services, or drugs for exogenous obesity or weight control;
- (7) services for purchase and fitting of hearing aids;
- (8) services and supplies related to smoking cessation;
- (9) charges for food, food supplements, or vitamins;
- (10) charges related to marriage, family, child, career, social adjustment, pastoral, or financial counseling;
- (11) services related to therapy, supplies, or counseling for sexual dysfunction or inadequacies that do not have a physiological or organic basis;
- (12) procedures, services, or drugs for the reversal of a tubal ligation or a vasectomy;
- (13) charges for rental or purchase of durable medical equipment;
- (14) Injury or Sickness resulting from
  - (a) an act of war, declared or undeclared;
  - (b) active participation in a riot, civil commotion, civil disobedience or unlawful assembly;
  - (c) committing a felony;
  - (d) participation in a contest of speed in a power driven vehicles, parachuting, parasailing, bungee jumping, scuba diving, stunt driving, rock climbing, flying ultra-light aircraft, skydiving, hang gliding or any hazardous sports activity for exhibition purposes;
  - (e) air travel, except as a fare-paying passenger on a commercial airline;
  - (f) the Insured being intoxicated or under the influence of any narcotic unless the narcotic is administered on the advice of a Physician;
- (15) procedures associated with sex changes;
- (16) elective surgery (with the exception of organ donation) or cosmetic surgery, including any expenses related to Hospital Confinement, unless due to a covered Injury or

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Sickness;

- (17) any Treatment, drugs, or surgery considered Investigational or Experimental by the American Medical Association, the Health Care Finance Administration, or the Federal Drug Administration;
- (18) any Injury or Sickness occurring while the Insured is in the service of the Armed Forces of any country. Orders to active military service for training purposes of two months or less will not constitute service in the Armed Forces. When the Insured provides Us notice of entering the Armed Forces, We will return to the Insured pro rata any premium paid, less any benefits paid, for any period during which the Insured is in such service;
- (19) an Injury or Sickness for which the Insured receives benefits under Workers' Compensation or similar coverage or for which the Insured would receive benefits under Workers' Compensation if the employer had enrolled the Insured for such coverage and the Insured and employer had cooperated in filing a claim under that coverage;
- (20) dental or vision services, including but not limited to treatment, surgery, extractions or x-rays, unless:
  - (a) resulting from an Injury occurring while the Insured's coverage is in force and if performed within 12 months of the date of such Injury; or
  - (b) due to congenital disease or anomaly of a newborn Dependent Child;
- (21) any charges incurred prior to the Effective Date or in excess of the Calendar Year Maximums listed on the Schedule of Benefits[;][or]
- [(22)] [routine examinations, such as health exams, periodic check-ups or routine physicals].

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## **TERMINATION OF INSURANCE**

Your coverage will terminate on the earliest of:

- (1) the date the Policy is terminated;
- (2) the end of the last period for which premium has been paid;
- (3) on the date You cease to be Actively in Service as defined in the Policy [, except as provided for under the Leave of Absence provision in this Section];
- (4) on the date You no longer meet the requirements for eligibility; [or]
- [(5) the last day of the month following the date You attain age 65; [or]]
- [(6) the last day of the month You become eligible for Medicare; or]
- [(7)] on the date all available benefits under the Certificate have been paid.

[Coverage for an insured [Spouse [or Domestic Partner]] [and/or] [Dependent Child(ren)] will terminate the earliest of:

- (1) the date the Policy is terminated;
- (2) the date Your coverage is terminated;
- (3) the end of the last period for which premium has been paid;
- (4) the premium due date following the date the [Spouse] [or Domestic Partner] [and/or Dependent Child(ren)] ceases to meet the definition of [Spouse] [or Domestic Partner] [and/or Dependent Child(ren)];
- (5) the premium due date following the date the We receive Your written request to terminate coverage for Your [Spouse] [or Domestic Partner] [and/or Dependent Child(ren)]
- [(6)with respect to Your [Spouse] [or Domestic Partner], the last day of the month following the date Your [Spouse] [or Domestic Partner] attains age 65[;] [or]]
- [(7)with respect to Your [Spouse] [or Domestic Partner], the last day of the month Your [Spouse] [or Domestic Partner] becomes eligible for Medicare[.]]

Termination of Insurance on any Insured shall be without prejudice to his rights as regarding any claim arising prior thereto.

We or the Policyholder may end the Policy on any date by written notice mailed or delivered. If We end the Policy for a reason other than non-payment of premium, the termination becomes effective on the later of the date stated in the notice or 45 days after We mail or deliver the written notice of such termination. If any portion of the premium due is not paid, the Policy will terminate in accordance with the Grace Period provision. If the Policyholder ends the Policy, the termination becomes effective on the later of the date stated in the notice or the date We receive the written notice of such termination. If the Policy is ended, We will promptly refund any unearned premium, or the Policyholder will promptly pay any earned premium which has not yet been paid. Any unearned and earned premium will be calculated on a pro-rata basis.

Termination of the Policy will be without prejudice to the rights of any Insured as respects any claim arising during the period the Policy is in force.

The Policyholder has the sole responsibility to notify You of such termination.

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**[COBRA CONTINUATION OF COVERAGE]**

The coverage may be continued in accordance with the Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA). It is the responsibility of the Policyholder to comply with COBRA.]

**[LEAVE OF ABSENCE]**

Subject to the continued payment of Premiums due, Your coverage may be continued for up to [one] year(s) during a Leave of Absence approved in writing by Your employer.]



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## **PREMIUM CALCULATION AND PAYMENT**

Premiums will be computed in accordance with the rates in effect on the Premium due date. [The portion of the premium that You are responsible for contributing is shown on the Certificate Schedule of Benefits.] The total premium for the Policy is the sum of premiums for all Insureds.

The first premium is due on the Effective Date of the Policy. Premiums after the first are due at the end of the period for which the preceding premium was paid. [The due date for any additional premium for a dependent eligible on or first acquired after Your Effective Date will be as follows:

- (1) for newborn children, within 90 days of birth;
- (2) for adopted children, within 60 days of the date the petition for adoption is filed; and
- (3) for foster children and all other dependents, 31 days after coverage for that dependent is required to begin.]

The Policyholder is responsible for paying all premiums. However, the premiums may be paid by any other party according to a mutual agreement among the other party, the Policyholder and Us.

Premiums may be paid to:

- (1) Our Home Office; or
- (2) Our authorized agent.

Payment of premium for a period before it is due will not guarantee that the coverage will remain in that effect for that period.

The rates may be changed once the Rate Guarantee Period listed on the Schedule has elapsed after the Effective Date of the Policy or on any Premium due date after that. Any subsequent rate changes will not be made more frequently than once every [6 months]. No such change in premium will be made unless [30 days] prior notice is given to the Policyholder.

The rates may change prior to the time frames outlined above, however, for reasons that affect the insured risk, which include:

- (4) a change in benefits;
- (5) a new law or change in any existing law that affects the Policy; or
- (6) a material change in the composition or size of the Insureds covered under the Policy.

### **GRACE PERIOD**

A grace period of 31 days will be allowed for each premium payment after the first premium. Coverage will remain in effect during the grace period. The coverage under the Policy will terminate at the end of the grace period if the premium has not been paid. The Policyholder must still pay all unpaid premium. This includes the premium due for the grace period. No grace period is provided after the Policyholder has given notice of intent to end the Policy.

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## **CLAIM PROVISIONS**

**NOTICE OF CLAIM:** Written notice of claim must be given to Us at the address listed on the first page of the Policy, or to Our designee. Such notice should be made within 30 days after any claim covered by the Policy. If it is not reasonably possible to give notice within that time, the claim may not be denied or reduced due to the delay.

**CLAIM FORMS:** Claim forms should be used for filing proof of loss. They will be sent to the Insured within 15 days of receipt of notice of claim. If claim forms are not supplied within 15 days, the Insured can give proof as follows:

- (1) in writing;
- (2) setting forth the nature and extent of the claim, including the Physician's diagnosis; and
- (3) within the time stated in the Proof of Loss Provision.

**PROOF OF LOSS:** Proof of loss must be given to Us within 180 days after the loss. Late proof may be accepted if:

- (1) it was not reasonably possible to give proof in that time; and
- (2) the proof is given within one year from the date proof is otherwise required. This one year limit will not apply in the absence of legal capacity.

**TIME OF PAYMENT OF CLAIMS:** Benefits payable under the Policy will be paid immediately upon receipt of acceptable Proof of Loss.

**PAYMENT OF CLAIMS:** All benefits will be payable in a lump sum to You unless assigned by operation of law. Any accrued benefit unpaid at Your death may be paid to Your estate.

**PHYSICAL EXAMINATION:** We have the right to have the Insured examined as often as is reasonably necessary while a claim is pending. We will pay for such examination.

**REIMBURSEMENT OF OVERPAYMENT:** The Insured will be responsible for reimbursing Us for any payment of benefits in excess of the Calendar Year Maximums listed on the Schedule of Benefits. The Insured will also be responsible for reimbursing Us for any overpayment resulting from fraud or an error in claim processing made by the Insured, Us or the plan administrator.

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## **GENERAL PROVISIONS**

**ENTIRE CONTRACT-CHANGES:** The entire contract shall include:

- (1) the Policy;
- (2) the application of the Policyholder;
- (3) the Certificates;
- (4) Your application, if any, attached to the Certificate; and
- (5) all riders, endorsements and amendments.

The terms of the Policy can be changed only by rider, endorsement or amendment signed by one of Our executive officers. Any amendment that reduces or eliminates coverage must be requested in writing or signed by the Policyholder. No agent may change the Policy or waive its provisions.

**CERTIFICATES:** An individual Certificate will be issued for delivery to You . The Certificate will describe:

- (1) the benefits under the Policy;
- (2) to whom benefits will be paid; and
- (3) the limitations and terms of the Policy.

If more than one Certificate is issued under the Policy to You , only the last one issued will be in effect.

If there is a conflict between the Policy and the Certificate, the Policy will control.

**ADDITIONAL COVERAGE WITH US:** If an Insured is covered by more than one of Our Limited Medical Indemnity Policies or Certificates, We will only pay benefits for covered charges under one Limited Medical Indemnity Certificate. An Insured may choose which Certificate they wish to keep in force by sending Us written notice of their choice. We will return the premiums paid for any of its other Limited Medical Indemnity Certificates during the period there was more than one Policy or Certificate in force.

**LEGAL ACTION:** No legal action may be brought to recover under the Policy:

- (1) within 60 days after written Proof of Loss has been furnished as required; or
- (2) more than 3 years from the time written Proof of Loss is required to be furnished.

**TIME LIMIT ON CERTAIN DEFENSES:** Except in the case of fraud, after two years from the Effective Date of the Insured's coverage, no statements made in the application can be used to:

- (1) void the coverage; or
- (2) deny a claim for loss incurred commencing after the expiration of such two-year period.

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**INCONTESTABILITY:** All statements made by the Policyholder to obtain the Policy are considered representations and not warranties.

No statement will be used to deny or reduce benefits or be used as a defense to a claim, or to deny the validity of the Policy unless a copy of the instrument containing the statement is, or has been, furnished to the Policyholder. After two years from the Effective Date, no such statement will cause this Policy to be contested except for fraud.

All statements made by an Insured are considered representations and not warranties. No statement will be used to deny or reduce benefits or be used as a defense to a claim unless a copy of the instrument containing the statement is, or has been, furnished to the Insured. In the event of an Insured's death or incapacity, his or her applicable representative shall be given a copy.

After two years from an Insured's Effective Date of coverage, or from the Effective Date of increased benefits, no such statement will cause the coverage or the increased benefits to be contested except for fraud.

**CLERICAL ERROR:** A clerical error by the Policyholder will not end coverage or continue terminated coverage. In the event of such clerical error, a premium adjustment will be made.

**MISSTATEMENT OF AGE:** If an age has been misstated on the application, the benefits will be those the premium paid would have purchased at the correct age.

**CONFORMITY WITH STATE LAWS:** A provision of the Policy that conflicts with a law of the state of issue is hereby changed to meet the minimum standards of that law.

**NEW ENTRANTS:** New [Employees] of the Policyholder [and their dependents] will be added to the applicable class originally insured under the Policy provided they apply for such coverage and meet the requirements for eligibility as stated in the Policy.

**IMPORTANT NOTICE:** For questions regarding this Policy, please contact Us at the administrative office listed on the first page of this Certificate. We may also be contacted by telephone at [1-866-623-2953].

If discussions with Us have failed to produce a satisfactory resolution to a problem, the Arkansas Department of Insurance may be contacted at:

Arkansas Department of Insurance  
Consumer Services Division  
1200 West Third Street  
Little Rock, Arkansas 72201-1904

Telephone: 1-800-852-5494

<b>POLICYHOLDER NAME:</b> [XYZ Company, Inc.]	
<b>POLICYHOLDER ADDRESS:</b> [123 Main Street Small Town, FL 33321]	
<b>INSURER NAME:</b> Beazley Insurance Company, Inc.	
<b>INSURER ADDRESS: ADMINISTRATIVE OFFICE</b> [30 Batterson Park Road Farmington, CT 06032]	
<b>INSURER ADDRESS: NOTICE OF CLAIM</b> [30 Batterson Park Road Farmington, CT 06032]	
<b>POLICY NUMBER:</b> [1234567]	<b>EFFECTIVE DATE:</b> [July 1, 2011]
<b>DATE OF ISSUE:</b> [July 1, 2011]	<b>ANNIVERSARY DATE:</b> [July 1]

In consideration of the Policyholder's application and the timely payment of premiums, Beazley Insurance Company, Inc. (herein called the Company) agrees to pay the benefits of this Policy, subject to all of its terms and conditions.

This Policy is executed by Beazley Insurance Company, Inc. as of its Date of Issue. This Policy will take effect on the Effective Date shown above, 12:01 a.m. Standard Time at the address of the Policyholder.

[ ]

*Secretary*

[ ]

*President*

#### **GROUP LIMITED MEDICAL INDEMNITY POLICY**

**THIS IS A LIMITED BENEFIT POLICY. BENEFITS PROVIDED ARE NOT INTENDED TO COVER ALL MEDICAL EXPENSES.**

**The Policy is a contract between the Policyholder and the Company.**

**This Policy is renewable at the option of the Company. Please read the Termination of Insurance provision of this Policy.**

**READ THE POLICY CAREFULLY.**

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## **SCHEDULE OF BENEFITS**

**ELIGIBILITY:** [ALL [PERMANENT] [EMPLOYEES,] [BETWEEN THE AGES OF 18 AND 69,]  
[WORKING [25] HOURS OR MORE PER WEEK AND] ACTIVELY IN  
SERVICE [AND [SPOUSES [OR DOMESTIC PARTNERS]] [AND/OR]  
[DEPENDENT CHILD(REN)] OF ELIGIBLE [EMPLOYEES]]]

**[PRE-EXISTING CONDITION PERIOD:** [3 Months]]

**[WAITING PERIOD FOR LATE ENTRANTS** [30][60][90] Days]

**RATE GUARANTEE PERIOD** [3 Years]

**[[INITIAL] [MONTHLY] PREMIUM** [\$9.99]]

### **BENEFIT(S)**

### **BENEFIT AMOUNTS/MAXIMUMS**

#### **HOSPITAL CONFINEMENT**

[Benefit Amount	[\$100 to \$2,000] per day]
[Days 1-5	[\$100 to \$2,000] per day
Days 6-[15][30][60]	[\$50 to \$1,000] per day]
[Per Confinement Maximum	[15, 30, 60] days per Insured]
Calendar Year Maximum	[15, 30, 60] days per Insured]

#### **[HOSPITAL INTENSIVE CARE UNIT**

Benefit Amount	[\$100 to \$3,000] per day
Calendar Year Maximum	[15, 30] days per Insured]

#### **[SURGICAL**

Inpatient Surgery Benefit Amount	[\$100 to \$1000] Per surgery
Outpatient Surgery Benefit Amount	[\$50 to \$375] Per surgery
Calendar Year Maximum for Inpatient Surgery	[1-2] surger[y][ies]per Insured
Calendar Year Maximum for Outpatient Surgery	[1-2] surger[y][ies] per Insured]

#### **[ANESTHESIA**

Benefit Amount	[20% of the Surgical Benefit paid][25 to \$200] per surgery
Calendar Year Maximum	[\$100, \$200] per Insured]

#### **[PHYSICIAN OFFICE/URGENT CARE FACILITY VISIT INDEMNITY**

Benefit Amount	[\$15 to \$125] per visit
Calendar Year Maximum	[3 to 6] visits per Insured]

#### **[EMERGENCY ROOM**

Benefit Amount per Sickness	[\$50 to \$150] per visit
Benefit Amount per Injury	[\$100 to \$300] per visit
Calendar Year Maximum	[1 to 3] visit[s] per Insured]

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**[X-RAY AND LABORATORY TESTING]**

Benefit Amount for X-Ray	[\$50 to \$250] per day
Benefit Amount for Laboratory Test	[\$25 to \$100] per day
Calendar Year Maximum for X-Ray	[3 to 5] days per Insured
Calendar Year Maximum for Laboratory Test	[3 to 5] days per Insured]

**[MAJOR DIAGNOSTIC TESTING]**

Benefit Amount	[\$250 to \$500] per test
Calendar Year Maximum	[1 to 2] test[s] per Insured]

**[PREVENTIVE CARE VISIT]**

Benefit Amount	[\$25 to \$75] per visit
Calendar Year Maximum	[1, 2] visit[s] per Insured]

**[GROUND AMBULANCE]**

Benefit Amount	[\$50, \$100] per trip
Calendar Year Maximum	[1, 2] trip[s] per Insured]

**[AIR AMBULANCE]**

Benefit Amount	[\$150, \$300] per trip
Calendar Year Maximum	1 trip per Insured]

**[SKILLED NURSING CARE FACILITY]**

Benefit Amount	[\$100 to \$250] per day
Calendar Year Maximum	[15, 30] days per Insured]

**[MENTAL ILLNESS and SUBSTANCE ABUSE CONFINEMENT]**

Benefit Amount	[\$100 to \$250] per day
Calendar Year Maximum	[15, 30] days per Insured]

**[HOSPITAL ADMISSION – LUMP SUM]**

Benefit Amount	[\$100 to \$2,500]
Calendar Year Maximum	[1, 2] admission[s] per Insured]

**[MENTAL ILLNESS AND SUBSTANCE ABUSE ADMISSION – LUMP SUM]**

Benefit Amount	[\$150, \$250]
Calendar Year Maximum	1 admission per Insured]

**[TRANSPLANT TRAVEL LUMP SUM]**

Benefit Amount	[\$250 to \$1,000]
Calendar Year Maximum	1 occurrence per Insured]

**[PRESCRIPTION DRUG INDEMNITY]**

Benefit Amount	[\$5 to \$25] for each Prescription Drug
Calendar Year Maximum	[5 to 12] Prescriptions per Insured]



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## **DEFINITIONS**

**ACCIDENT** means an external event occurring by chance or unintentionally, independent of any Sickness.

**[ACTIVELY IN SERVICE]** means that the [Employee] is:

- (1) performing in the usual manner, all of the Material and Substantial Duties of his or her [employment] for the regularly scheduled number of hours on a scheduled work day; and
- (2) the Material and Substantial Duties are being performed at one of the places of business where the [Employee] normally performs such duties or at some location to which the [Employee's] [employment] sends him or her.

The [Employee] will be said to be Actively in Service on a day that is not a scheduled work day only if he or she would be able to perform in the usual manner all of the regular duties of the [Employee's] [employment] if it were a scheduled work day.]

**[ACTIVELY IN SERVICE]** means that the [Employee] is:

- (1) not an in-patient in a Hospital, skilled nursing facility, rehabilitation hospital, convalescent/personal care facility or receiving outpatient care and/or therapy that affects the [Employee's] ability to perform his regular duties on a scheduled basis;
- (2) not confined at home under the care of a Physician for a treatment of a bodily Injury or Sickness; or
- (3) able to perform [4-6] of the Activities of Daily Living.

**ACTIVITIES OF DAILY LIVING** means the following basic daily tasks necessary to maintain a person's health and safety:

- (1) Bathing: washing oneself by sponge bath; or in either a tub or shower, including the task of getting into or out of the tub or shower.
- (2) Continence: ability to maintain control of bowel and bladder function; or, when not able to maintain control of bowel or bladder function, the ability to perform related personal hygiene (including caring for a catheter or colostomy bag).
- (3) Dressing: putting on and taking off all items of clothing and any required braces, fasteners or artificial limbs.
- (4) Eating: feeding oneself by getting food into the body from a receptacle (such as a plate, cup or table) or by feeding tube or intravenously.
- (5) Toileting: getting to and from the toilet, getting on and off the toilet, and performing related personal hygiene.
- (6) Transferring: moving into or out of a bed, chair or wheelchair.]

**CALENDAR YEAR** means the period beginning on the coverage Effective Date shown on the Certificate Schedule and ending on December 31 of the same year. Thereafter, it is the period beginning on January 1 and ending on December 31 of each following year.

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**CERTIFICATE** means the individual Certificate issued to the insured [Employee]. It describes the Insured's coverage under the Policy.

**COMPLICATIONS OF PREGNANCY** means any of the following:

- (1) a condition that, while affected by pregnancy, is still classified by accepted medical standards as a Sickness apart from the normal bodily changes that accompany pregnancy;
- (2) a non-elective Caesarean section;
- (3) an extra-uterine or ectopic pregnancy; or
- (4) a spontaneous termination of pregnancy during a period of gestation in which a viable birth is not possible.

Complications of Pregnancy do not include: false labor, premature labor, high risk pregnancy or delivery, occasional spotting, Physician-prescribed rest, morning sickness, pre-eclampsia or placenta previa or similar conditions that occur in a difficult pregnancy.

**CONFINED OR CONFINEMENT** means the assignment to a bed as a resident inpatient in a Hospital, or confinement in an Observation Unit within a Hospital for a period of 23 or more continuous hours, on the advice of a Physician.

**[DEPENDENT CHILD(REN)]** means all of [an Employee's] children who are unmarried and less than 26 years of age. However, if any Dependent Child is incapable of self-sustaining employment due to mental retardation or physical handicap and is dependent on a parent(s) for support, such age limit of 26 shall not apply. Proof of such incapacity and dependency must be furnished to the Company.

Child(ren) means the [Employee's] biological children, stepchildren, adopted children, foster children or any child for whom the [Employee] is required by a court or administrative order to provide health coverage.]

**[DOMESTIC PARTNER]** means a person of the [same] [or] [opposite] sex who:

- [(1) is at least 18 years old and legally capable to enter into a contract][:;]
- [(2) is not related by blood to the [Employee] more closely than is permissible for marriage in the state of residence][:;]
- [(3) is not married or legally separated][:;]
- [(4) has not been party to an action or proceeding for divorce or annulment within the last 6 months, or has been a party to such an action or proceeding and at least 6 months have elapsed since the date of the judgment terminating the marriage][:;]
- [(5) is not currently in a Domestic Partnership with a different Domestic Partner and has not been in such a relationship for at least 6 months][:;]
- [(6) occupies the same residence as the [Employee]][:;]
- [(7) has not entered into a domestic partnership relationship that is temporary, social, political, commercial or economic in nature][:;] [and]

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[(8) has entered into a Domestic Partnership Agreement with the [Employee]].]

**[DOMESTIC PARTNERSHIP AGREEMENT]** means an arrangement between the [Employee] and another person of the [same] [or] [opposite] sex that includes 3 of the following:

- (1) joint lease, mortgage or deed;
- (2) joint ownership of a vehicle;
- (3) joint ownership of a checking account or credit account;
- (4) designation of the Domestic Partner as the beneficiary of the [Employee's] life insurance or retirement benefits;
- (5) designation of the Domestic Partner as the beneficiary of the [Employee's] will;
- (6) designation of the Domestic Partner as holding power of attorney for health care; and
- (7) shared household expenses.]

**EFFECTIVE DATE** means the date described in the Policy. The date shown in the insured [Employee's] individual Certificate will be the Effective Date of coverage. The Effective Date will start at 12:01 a.m. at the main place of business of the Policyholder.

**EMERGENCY ROOM** means a facility located on the premises of, or physically part of, a Hospital that provides initial Treatment to patients with Sickness or Injury requiring immediate attention. An Emergency Room is specially equipped and staffed to provide emergency care.

**[EMPLOYEE]** means a person who is Actively in Service as [an employee] of the Policyholder.

**HOSPITAL** means a general acute care facility that meets all of the following:

- (1) it is licensed as a Hospital pursuant to applicable law;
- (2) it is primarily and continuously engaged in providing medical care and treatment to sick and injured persons;
- (3) it is managed under the supervision of a staff of medical doctors;
- (4) it provides 24-hour nursing services by or under the supervision of a graduate registered nurse (R.N.);
- (5) it has medical, diagnostic and treatment facilities, with major surgical facilities on its premises, or available on a prearranged basis;
- (6) it charges for its services. This requirement is waived for Veterans Administration Hospitals and Federal Government Hospitals.

Hospital does not include any of the following:

- (1) a rest or nursing home, home for the aged, or convalescent home;
- (2) a Skilled Nursing Care Facility, rehabilitation center, extended care facility, or assisted living center; or

- 
- (3) a hospice, custodial care facility, or birthing center; or
  - (4) a Mental Illness/Substance Abuse Treatment Facility.

**[HOSPITAL INTENSIVE CARE UNIT** means a place which:

- (1) is a specifically designated area of the Hospital called an intensive care unit that is restricted to patients who are critically ill or injured and who require intensive, comprehensive observation and care;
- (2) is separate and apart from the surgical recovery room and from rooms, beds and wards customarily used for patient confinement;
- (3) is permanently equipped with special lifesaving equipment for the care of the critically ill or injured;
- (4) is under constant and continuous observation by a specially trained nursing staff assigned exclusively to the intensive care unit on a 24 hour basis; and
- (5) has a Physician assigned to the intensive care unit on a full-time basis.

A Hospital Intensive Care Unit that meets the definition above may include hospital units with the following names:

- (1) Intensive Care Unit;
- (2) Coronary Care Unit;
- (3) Neonatal Intensive Care Unit;
- (4) Pulmonary Care Unit;
- (5) Burn Unit; or
- (6) Transplant Unit.

A Hospital Intensive Care Unit is not any of the following step-down units:

- (1) a progressive care unit;
- (2) an intermediate care unit;
- (3) a private monitored room;
- (4) sub-acute intensive care unit;
- (5) an observation unit; or
- (6) any facility not meeting the definition of a Hospital Intensive Care Unit as defined in this Policy.]

**INJURY** means bodily injury due to an Accident sustained directly and independently of all other Accidents or Sickness. It includes all complications of and all Injuries from the same Accident.

**INPATIENT SURGERY** means a surgical procedure performed on an Insured who is Confined as a registered bed patient in a Hospital or other medical facility.

**INSURED(S)** means the [Employee] [and] [.,] [the Spouse [or Domestic Partner]] of [an Employee]] [and the Dependent Child(ren) of the [Employee]] as indicated in the Certificate Schedule.

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**INVESTIGATIONAL OR EXPERIMENTAL** means care, treatment, services or supplies not approved or recognized for the treatment of Injury or Sickness by any of the following:

- (1) The American Medical Association;
- (2) The United States Surgeon General;
- (3) The United States Department of Public Health;
- (4) The National Institute of Health; or
- (5) Medicare.

Drugs are considered investigational or experimental if they are not:

- (1) commercially available for purchase; and
- (2) approved by the Food and Drug Administration for general use.

**[LATE ENTRANT** means a[n] [Employee] who applies for coverage more than 31 days after becoming eligible.]

**[MATERIAL AND SUBSTANTIAL DUTIES** means the duties that:

- (1) are normally required for the performance of the [Employee's] [employment]; and
- (2) cannot be reasonably omitted or modified.]

**MEDICALLY NECESSARY** means any services, tests, office visits, drugs, or supplies:

- (1) needed to diagnose, treat symptoms or medical conditions, or provide preventative care in a manner generally accepted by the medical community;
- (2) ordered, prescribed, recommended, or approved by a Physician to diagnose or treat symptoms or a specific medical condition;
- (3) not simply for the convenience of Physician or patient; and
- (4) not used for Investigational or Experimental Treatment.

**MENTAL ILLNESS** means any diagnosed condition listed in the Diagnostic and Statistical Manual of Mental Disorders most recent edition, revised (DSM) for which treatment is commonly sought from a psychiatrist or mental health provider. Diagnoses described in the DSM will be considered mental illness, regardless of etiology.

**MENTAL ILLNESS / SUBSTANCE ABUSE TREATMENT FACILITY** means a facility that provides inpatient Treatment for Mental Illness and/or Substance Abuse. Mental Illness/Substance Abuse Treatment Facility is a place which:

- (1) is established and operated pursuant to applicable state laws;
- (2) provides the following basic services:
  - (a) room and board;
  - (b) evaluation and diagnosis;

- 
- (c) counseling; and
  - (3) has or maintains a written, specific, and detailed regimen requiring full-time residence and full-time participation by the Insured;

A Mental Illness/Substance Abuse Treatment Facility does not include a unit or wing within a Hospital, a half-way house, a group home, a recovery farm, or any similar facility.

**OBSERVATION UNIT** means a specified area within a Hospital, apart from the Emergency Room, where a patient can be monitored following Outpatient Surgery or Treatment in the Emergency Room by a Physician, and which:

- (1) is under the direct supervision of a Physician or registered nurse;
- (2) is staffed by nurses assigned specifically to that unit; and
- (3) provides care seven days per week, 24 hours per day.

**OUTPATIENT SURGERY** means a surgical procedure performed on an Insured who is not Confined, but who utilizes a Hospital, ambulatory surgical facility or other similar medical facility for the surgery.

**[PHARMACIST** means an individual operating within the scope of his or her license in the state where so licensed to dispense Prescription Drugs.]

**[PHARMACY** means a retail location [or mail order facility] operating in accordance with the State Board of Pharmacy or other governing body where Prescription Drugs are dispensed by a Pharmacist.]

**PHYSICIAN** means a practitioner of the healing arts who:

- (1) is practicing within the scope of his or her license in the state where so licensed; and
- (2) is not related to the Insured.

**POLICY** means the Policy issued to the Policyholder that covers the Insured.

**POLICYHOLDER** means the employer, association or other organization who holds the Policy.

**[PRE-EXISTING CONDITION** means any sickness, disease, or physical condition for which the Insured has:

- (1) had Treatment; or
  - (2) received a diagnosis or advice from a Physician,
- during the Pre-Existing Condition Period indicated on the Schedule of Benefits, immediately before the Effective Date of Coverage.]

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**[PRESCRIPTION** means a written, electronic, or oral order for a drug, authorized by a Physician. A Prescription may be written to provide a sufficient amount of medication necessary for the duration of the Sickness or an amount sufficient to cover the interval between visits to the prescribing Physician, but it may not be dispensed more than once every [31] days for a 30 day supply from a retail Pharmacy, or once every [91] days for a 90 day supply from a mail-order Pharmacy.]

**[PRESCRIPTION DRUG** means a drug which, under state or federal law, requires a Prescription to dispense. Prescription Drug does not include any of the following:

- (1) all over-the-counter (OTC) products and medications. This includes, but is not limited to, electrolyte replacement, infant formulas, miscellaneous nutritional supplements and all other OTC products and medications;
- (2) medical supplies and durable medical equipment;
- (3) liquid nutritional supplements, pediatric vitamins, prenatal vitamins, prescribed versions of vitamins A, D, K, B12, folic acid and niacin used in treatment versus as a dietary supplement, and all other vitamins and nutritional supplements;
- (4) anorexiant, any cosmetic drugs including, but not limited to, Renova, skin pigmentation preps, any drugs or products used for the treatment of baldness, and topical dental fluorides;
- (5) refills in excess of that specified by the prescribing Physician, or refills dispensed after one year from the original date of the Prescription;
- (6) drugs needed due to conditions caused, directly or indirectly, by an Insured taking part in a riot or other civil disorder, or the Insured taking part in the commission of a felony;
- (7) drugs needed due to conditions caused, directly or indirectly, by declared or undeclared war or an act of war, or drugs dispensed to an Insured while on active duty in any armed forces;
- (8) any expenses related to the administration of a drug;
- (9) needles or syringes for the administration of a drug;
- (10) drugs covered under Workers' Compensation, Medicare, Medicaid, or other governmental programs;
- (11) drugs, medicines, or products which are not Medically Necessary; or
- (12) smoking deterrents.]

**SCHEDULE OF BENEFITS (or Schedule)** means the benefit schedule set forth in the Policy or Certificate.

**SICKNESS** means an illness or disease that starts while the Insured's coverage is in force. Sickness includes pregnancy and Complications of Pregnancy.

**SKILLED NURSING CARE FACILITY** means a place where an Insured goes to recover from a Sickness and that:

- 
- (1) is a legally operated facility that can be part of a hospital;
  - (2) operates 24 hours a day and will accept inpatients on an overnight basis;
  - (3) is supervised by a Physician;
  - (4) has a 24-hour a day nursing staff which is supervised by a registered nurse; and
  - (5) keeps written daily records for each patient.

Notwithstanding the above, a Skilled Nursing Care Facility is not:

- (1) a rest home or a home for the aged;
- (2) a place that provides mostly custodial care; or
- (3) a place for alcoholics or drug addicts.

**[SPOUSE]** means the person recognized as the **[Employee's]** spouse under the laws of the state in which the **[Employee]** resides.]

**SUBSTANCE ABUSE** means the psychological or physical dependence on or addiction to alcohol, drugs and other controlled substances.

**[TRANSPLANT]** means the Medically Necessary transfer of one or a combination of any of the following organs:

- (1) kidney;
- (2) pancreas;
- (3) heart;
- (4) lung (single or double); or
- (5) liver.

Transplant does not include any Investigational or Experimental services.]

**TREATMENT** means consultation, care or services provided by a Physician including diagnostic measures and taking prescribed drugs and medicines.

**[URGENT CARE FACILITY]** means a free-standing facility that is engaged primarily in providing minor emergency and episodic medical care. A Physician, a registered nurse and a registered x-ray technician must be in attendance at all times that the facility is open. It must be licensed as an Urgent Care Facility, if required by law.]



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## **ELIGIBILITY AND EFFECTIVE DATE**

### **ELIGIBILITY**

All [Employees] who:

- (1) meet the definition of Actively in Service;
  - (2) qualify as eligible Insureds as defined in the Policyholder's application; and
  - (3) meet the definition of Eligibility as stated on the Schedule,
- are eligible to be insured under the Policy. Evidence of insurability acceptable to the Company may be required.

### **[ELIGIBILITY OF DEPENDENTS]**

An eligible [Employee] may enroll his or her [Spouse [or Domestic Partner]] [and/or] [Dependent Child(ren)]. [An individual cannot be covered as [an Employee] and a [Spouse [or Domestic Partner]] at the same time.] [A Dependent Child may only be covered by one [Employee] if both parents are [Employees] and covered separately under the Policy.]]

### **EFFECTIVE DATE**

The Effective Date for [an Employee] is as follows:

- (1) [An Employee's] coverage will be effective on the date shown on the Certificate Schedule provided the [Employee] is then Actively in Service.
- (2) If [an Employee] is not Actively in Service on the date coverage would otherwise become effective, the Effective Date of his coverage will be the date on which such [Employee] is first thereafter Actively in Service.

[The Effective Date for a Late Entrant will be the next anniversary date shown on the Policy Schedule of Benefits.]

[The Effective Date for a [Spouse [or Domestic Partner]] [and/or] [Dependent Child(ren)] is the date shown on the Certificate Schedule subject to the following:

- (1) The date the [Employee's] coverage is effective for a [Spouse [or Domestic Partner]] [and/or] [Dependent Child(ren)] who [is] [are] eligible on that date; for whom coverage is applied for and premium paid; and who [is] [are] not hospital confined.
- (2) At 12:00 a.m. Standard Time, on the day a [Spouse [or Domestic Partner]] [and/or] [Dependent Child(ren)] [is] [are] no longer hospital confined if the [Spouse [or Domestic Partner]] [and/or] [Dependent Child(ren)] [was] [were] otherwise eligible for coverage on the date the [Employee's] coverage became effective.
- (3) For a dependent eligible on or first acquired after the [Employee's] Effective Date, the Effective Date will be:
  - [(a) For newborn children and newborn adopted children, the Effective Date is the moment of birth. The Company must receive notification of birth within 90 days after the date of birth for coverage to continue for the newborn beyond the 90 day period. For newborn adopted children, a petition for adoption must be filed within

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60 days of birth. Coverage ends for newborn adopted children if the petition for adoption is dismissed or denied.】

- [(b) For other adopted children, the Effective Date is the date a petition for adoption is filed. The Company must receive notification of newly adopted children within 60 days from the date the petition for adoption is filed for coverage to continue for the adopted children beyond the 60 day period. Coverage ends for adopted children if the petition for adoption is dismissed or denied.】
- [(c) For foster children, the Effective Date is the date of placement in the [Employee's] home. The Company must receive notification of foster children within 31 days from the date of placement into the [Employee's] home for coverage to continue for the foster children beyond the 31 day period.】
- [(d) For a [Spouse [or Domestic Partner]] or any other dependent eligible on or first acquired after the [Employee's] Effective Date, the Effective Date is the date the Company assigns after approving that application for his or her coverage.】

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## **BENEFITS**

The following benefits are subject to the terms, conditions, limitations, exclusions, and maximums specified in the Policy. Benefits are not payable for expenses incurred or confinement that begins prior to the Certificate Effective Date.

### **HOSPITAL CONFINEMENT BENEFIT**

The Company will pay the benefit shown on the Schedule of Benefits if an Insured is Confined and receiving Treatment in a Hospital due to Sickness or Injury. Confinement in a Hospital must begin while this coverage is in force. [For Late Entrants, Confinement must begin and charges must be incurred after coverage has been in force for the number of days listed as the Waiting Period shown on the Schedule of Benefits.]

The total benefits payable will not exceed the Hospital Confinement Benefit amount shown on the Schedule of Benefits for each day the Insured is Confined, up to the maximum number of days per [Confinement and the maximum number of days per] Calendar Year shown on the Schedule.

The Hospital Confinement Benefit will not be paid for:

- (1) Emergency Room Treatment;
- (2) outpatient Treatment; or
- (3) Confinement of less than 23 hours in an observation unit.

[The Company will not pay the Hospital Confinement Benefit and the [Hospital Intensive Care Unit Confinement Benefit] [,] [Skilled Nursing Care Facility Benefit] [or] [Mental Illness and Substance Abuse Benefit] concurrently.]

### **[HOSPITAL INTENSIVE CARE UNIT BENEFIT**

The Company will pay the benefit shown on the Schedule of Benefits if any Insured incurs charges for and is Confined to a Hospital Intensive Care Unit due to Sickness or Injury. Confinement in a Hospital Intensive Care Unit must begin while this coverage is in force. [For Late Entrants, Confinement must begin and charges must be incurred after coverage has been in force for the number of days listed as the Waiting Period shown on the Schedule of Benefits.]

The total benefits payable will not exceed the Hospital Intensive Care Unit Benefit amount shown on the Schedule of Benefits for each day the Insured is Confined, up to the maximum number of days per Calendar Year shown on the Schedule.

If an Insured is Confined to a Hospital care unit that does not meet this Policy's definition of a Hospital Intensive Care Unit, the Company will pay the Hospital Confinement Benefit shown on the Schedule of Benefits for each day the Insured is Confined, up to the maximum number of days per Calendar Year for the Hospital Confinement Benefit shown on the Schedule of Benefits.

The Company will not pay the Hospital Intensive Care Unit Confinement Benefit and the Hospital Confinement Benefit [,] [Mental Illness and Substance Abuse Benefit] [or] [Skilled Nursing Care Benefit] concurrently.

If the maximum number of days shown on the Schedule of Benefits have been paid for the Hospital Confinement Intensive Care Unit Benefit, any additional days of Hospital Intensive Care Unit confinement will be paid under the Hospital Confinement Benefit, provided that the

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Company will not pay more than the maximum number of days [per Confinement or] per Calendar Year for the Hospital Confinement Benefit shown on the Schedule of Benefits.]

### **[SURGICAL BENEFIT**

The Company will pay the benefit shown on the Schedule of Benefits when an Insured incurs charges for Inpatient Surgery or Outpatient Surgery due to Sickness or Injury. [For Late Entrants, charges must be incurred after coverage has been in force for the number of days listed as the Waiting Period shown on the Schedule of Benefits.]

The procedure must be performed by a Physician using anesthesia administered by a licensed anesthesiologist or certified registered nurse anesthetist (CRNA).

Benefits will be paid once per covered surgical procedure. If an Insured has more than one surgical procedure performed on the same day, the Company will pay only one Surgical Benefit, even if caused by more than one Injury or Sickness. The Company will pay the benefit that has the highest dollar value. The Company will not pay the Inpatient Surgery Benefit and the Outpatient Surgery Benefit concurrently.

The total benefits payable per Calendar Year will not exceed the maximum number of surgeries shown on the Schedule of Benefits per Calendar Year.

### **[ANESTHESIA BENEFIT**

The Company will pay the benefit shown on the Schedule of Benefits if an Insured incurs charges for and receives general anesthesia administered by an anesthesiologist or a Certified Registered Nurse Anesthetist (CRNA) during a surgical procedure for which a benefit is payable under the Policy. [For Late Entrants, charges must be incurred after coverage has been in force for the number of days listed as the Waiting Period shown on the Schedule of Benefits.]

If more than one surgical procedure is performed at the same time, the Company will pay only one Anesthesia Benefit. The Anesthesia Benefit will be paid for the surgical procedure performed that has the highest dollar value.

The Anesthesia Benefit will be paid only if a Surgical Benefit is also paid.

The total benefits payable per Calendar Year will not exceed the maximum shown on the Schedule of Benefits per Calendar Year.]

### **[PHYSICIAN OFFICE/URGENT CARE FACILITY VISIT INDEMNITY BENEFIT**

The Company will pay the benefit shown on the Schedule of Benefits when an Insured incurs charges for and requires services rendered by a Physician at a Physician's office or Urgent Care Facility due to Sickness or Injury. [For Late Entrants, charges must be incurred after coverage has been in force for the number of days listed as the Waiting Period shown on the Schedule of Benefits.]

The Physician Office/Urgent Care Facility Visit Indemnity Benefit is not payable for services rendered by a Physician while an Insured is confined to a Hospital or receiving Treatment in an Emergency Room.

The total benefits payable for each visit will not exceed the Physician Office/Urgent Care Facility Visit Indemnity Benefit amount shown on the Schedule of Benefits, up to the maximum number of visits per Calendar Year shown on the Schedule.

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[The Company will not pay the Physician Office/Urgent Care Facility Visit Indemnity Benefit and [the Preventive Care Visit Benefit] [or] [the Emergency Room Benefit] concurrently.]]

### **[EMERGENCY ROOM BENEFIT**

The Company will pay the benefit shown on the Schedule of Benefits when an Insured incurs charges for and receives Treatment rendered in an Emergency Room due to Sickness or Injury. Treatment for an Injury must be received within [72] hours of the Accident causing such Injury.

The total benefits payable for each visit will not exceed the Emergency Room Benefit amount shown on the Schedule of Benefits, up to the maximum number of visits per Calendar Year shown on the Schedule.

[The Company will not pay the Emergency Room Benefit and [the Physician Office/Urgent Care Facility Visit Indemnity Benefit] [or] [the Preventive Care Visit Benefit] concurrently.]]

### **[X-RAY AND LABORATORY TESTING BENEFIT**

The Company will pay the benefit shown on the Schedule of Benefits if an Insured incurs charges for and undergoes any type of X-ray or laboratory testing that is ordered by a Physician. [For Late Entrants, the charges must be incurred after coverage has been in force for the number of days listed as the Waiting Period shown on the Schedule of Benefits.]

The service must be performed:

- (1) while the coverage is in force; and
- (2) in a Hospital, Physician's office, Urgent Care Facility, Emergency Room, or other appropriately licensed stand-alone healthcare facility that provides diagnostic services.

The total benefits payable per day will not exceed the X-Ray and Laboratory Testing Benefit amounts shown on the Schedule of Benefits, up to the maximum amounts shown on the Schedule.

This benefit is not payable for X-rays or laboratory tests received while an Insured is Confined to a Hospital.]

### **[MAJOR DIAGNOSTIC TESTING BENEFIT**

We will pay the benefit shown on the Schedule of Benefits if an Insured incurs charges for and undergoes a major diagnostic test that is ordered by a Physician. For purposes of this benefit, major diagnostic test is an MRI (magnetic resonance imaging), a CT (computed tomography) scan, or a PET (positron emission tomography) scan. [For Late Entrants, the charges must be incurred after coverage has been in force for the number of days listed as the Waiting Period shown on the Schedule of Benefits.]

The procedure must be performed:

- (1) while the coverage is in force; and
- (2) in a Hospital, Physician's office, Urgent Care Facility, Emergency Room, or other appropriately licensed stand-alone healthcare facility that provides diagnostic services.

The total benefits payable per procedure will not exceed the Major Diagnostic Testing Benefit amount shown on the Schedule of Benefits, up to the maximum number of tests per Calendar

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Year shown on the Schedule. ]

### **[PREVENTIVE CARE VISIT BENEFIT**

The Company will pay the benefit shown on the Schedule of Benefits if an Insured incurs charges for a Physician's office visit for preventive care. [For Late Entrants, the charges must be incurred after coverage has been in force for the number of days listed as the Waiting Period shown on the Schedule of Benefits.] For purposes of this Policy, preventive care is defined as:

- (1) immunizations;
- (2) well baby care, including immunizations;
- (3) prostate cancer screenings;
- (4) preventive Physician office visits;
- (5) colorectal screenings;
- (6) pap smears;
- (7) mammograms; and
- (8) routine physical exams.

The total benefits payable for each visit will not exceed the Preventive Care Visit Benefit amount shown on the Schedule of Benefits, up to the maximum number of visits per Calendar Year shown on the Schedule

[The Company will not pay the Preventive Care Visit Benefit and [the Physician Office/Urgent Care Facility Visit Indemnity Benefit] [or] [the Emergency Room Benefit] concurrently.]]

### **[GROUND AMBULANCE BENEFIT**

The Company will pay the benefit shown on the Schedule of Benefits if an Insured incurs charges for and requires transportation by a licensed professional ground ambulance company to or from a Hospital or between medical facilities, where Treatment is received as the result of a Sickness or Injury.

The total benefits payable per trip will not exceed the Ground Ambulance benefit amount shown on the Schedule of Benefits, up to the maximum number of trips per Calendar Year shown on the Schedules.]

### **[AIR AMBULANCE BENEFIT**

The Company will pay the benefit shown on the Schedule of Benefits if an Insured incurs charges for and requires transportation by a licensed professional air ambulance company to or from a Hospital or between medical facilities, where Treatment is received as the result of a Sickness or Injury.

The total benefits payable per trip will not exceed the Air Ambulance Benefit amount shown on the Schedule of Benefits, up to the maximum number of trips per Calendar Year shown on the Schedule.]

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### **[SKILLED NURSING CARE FACILITY BENEFIT**

The Company will pay the benefit shown on the Schedule of Benefits for each day an Insured is Confined to and incurs charges for Confinement in a Skilled Nursing Care Facility due to Sickness or Injury. Confinement must begin while the coverage is in force and immediately following a Hospital Confinement of at least 3 days. [For Late Entrants, Confinement must begin and the charges must be incurred after coverage has been in force for the number of days listed as the Waiting Period shown on the Schedule of Benefits.]

The total benefits payable will not exceed the Skilled Nursing Care Facility Benefit amount shown on the Schedule of Benefits, up to the maximum number of days per Calendar Year shown on the Schedule.

The Company will not pay the Skilled Nursing Care Facility Benefit for:

- (1) Emergency Room Treatment;
- (2) outpatient Treatment; or
- (3) Confinement of less than 23 hours in an Observation Unit.

The Company will not pay the Skilled Nursing Care Facility Benefit and the Hospital Confinement Benefit [,] [Hospital Intensive Care Unit Confinement Benefit] [or] [Mental Illness and Substance Abuse Benefit] concurrently.]

### **[MENTAL ILLNESS AND SUBSTANCE ABUSE CONFINEMENT BENEFIT**

The Company will pay the benefit shown on the Schedule of Benefits if an Insured is Confined and receiving Treatment for Mental Illness or Substance Abuse in a Mental Illness/Substance Abuse Treatment Facility. Confinement in a Mental Illness/Substance Abuse Treatment Facility must begin while this coverage is in force. [For Late Entrants, Confinement must begin and the charges must be incurred after coverage has been in force for the number of days listed as the Waiting Period shown on the Schedule of Benefits.]

The Company will not pay the Mental Illness and Substance Abuse Benefit for:

- (1) any Treatment provided in a Hospital, an Emergency Room, or an Observation Unit; or
- (2) Outpatient Treatment.

The total benefits payable will not exceed the Mental Illness and Substance Abuse Benefit amount shown on the Schedule of Benefits, up to the maximum number of days per Calendar Year shown on the Schedule.

The Company will not pay the Mental Illness and Substance Abuse Benefit and the Hospital Confinement Benefit[, ] [Hospital Intensive Care Unit Confinement Benefit] [or] [Skilled Nursing Care Benefit] concurrently.]

### **[HOSPITAL ADMISSION — LUMP SUM BENEFIT**

The Company will pay the benefit shown on the Schedule of Benefits if an Insured is admitted and Confined to a Hospital due to Sickness or Injury. [For Late Entrants, Confinement must begin after coverage has been in force for the number of days listed as the Waiting Period shown on the Schedule of Benefits.]

The total benefits payable will not exceed the Hospital Admission Lump Sum Benefit amount shown on the Schedule of Benefits, up to the maximum number of admissions per Calendar Year shown on the Schedule.

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[The Company will not pay the Hospital Admission Lump Sum Benefit and the Mental Illness and Substance Abuse Lump Sum Benefit concurrently.]]

**[MENTAL ILLNESS AND SUBSTANCE ABUSE ADMISSION– LUMP SUM BENEFIT**

The Company will pay the benefit shown on the Schedule of Benefits if an Insured is admitted to, Confined and receiving inpatient Treatment in a Mental Illness/Substance Abuse Treatment Facility. [For Late Entrants, Confinement must begin after coverage has been in force for the number of days listed as the Waiting Period shown on the Schedule of Benefits.]

The total benefits payable will not exceed the Mental Illness and Substance Abuse Lump Sum Benefit shown on the Schedule of Benefits, up to the maximum number of admissions per Calendar Year shown on the Schedule.

[The Company will not pay the Mental Illness and Substance Abuse Admission Lump Sum Benefit and the Hospital Admission Lump Sum Benefit concurrently.]]

**[TRANSPLANT TRAVEL LUMP SUM BENEFIT**

The Company will pay the benefit shown on the Schedule of Benefits if an Insured travels more than 100 miles from his or her primary residence for purposes of obtaining a Transplant. [For Late Entrants, the Transplant must occur after coverage has been in force for the number of days listed as the Waiting Period shown on the Schedule of Benefits.]

The total benefits payable will not exceed the Transplant Travel Lump Sum Benefit amount shown on the Schedule of Benefits, up to the maximum number of occurrences per Calendar Year shown on the Schedule.]

**[PRESCRIPTION DRUG INDEMNITY BENEFIT**

The Company will pay the benefit shown on the Schedule of Benefits if the Insured incurs charges for a Prescription Drug dispensed by a Pharmacy. The Prescription must be dispensed on or after the Certificate Effective Date. [For Late Entrants, the Prescription Drug must be dispensed after coverage has been in force for the number of days listed as the Waiting Period shown on the Schedule of Benefits.]

The total benefits payable will not exceed the Prescription Drug Indemnity Benefit amount shown on the Schedule of Benefits, multiplied by the maximum number of Prescriptions per Calendar Year shown on the Schedule.]



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## **[LIMITATIONS]**

### **[PRE-EXISTING CONDITION LIMITATION]**

The Company will not pay benefits for charges, services, or supplies incurred as a result of a Pre-Existing Condition within 12 months of an Insured's Effective Date.

[If the Insured was covered under a prior carrier's group limited medical indemnity policy at the date of change in coverage to a group limited medical indemnity policy provided by the Company and was not subject to a Pre-Existing Condition limitation under the prior carrier's policy, there shall be no Pre-Existing Condition limitation under the Company's Policy. However, if the Insured was subject to a Pre-Existing Condition limitation under the prior carrier's policy, credit will be given toward satisfaction of the Pre-Existing Condition limitation of the Company's Policy for that period of time that the Insured was continuously covered under the prior carrier's policy.]

A claim for benefits diagnosed after 12 months from an Insured's Effective Date will not be reduced or denied on the grounds that it is caused by a Pre-Existing Condition.]

### **[WAITING PERIOD FOR LATE ENTRANTS]**

For all benefits except [the Emergency Room Benefit][,] [and] [the Ground Ambulance Benefit] [and] [the Air Ambulance Benefit],] no benefits are payable for a Late Entrant until the coverage has been in force the number of days listed as the Waiting Period shown on the Schedule of Benefits.

Late Entrants will be eligible for all benefits listed on the Schedule of Benefits for charges, services, or supplies incurred after the Waiting Period.]]

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## **EXCLUSIONS**

The Policy does not provide any benefits for the following:

- (1) services or supplies that are not Medically Necessary, even if prescribed, recommended, or approved by a Physician;
- (2) intentionally self-inflicted Injury or suicide attempt while sane or insane;
- (3) voluntary abortion except, with respect to the Insured or the Insured's Dependent Spouse:
  - (a) where the Insured's or the Insured's Dependent Spouse's life would be endangered if the fetus were carried to term, or
  - (b) where medical complications have arisen from abortion;
- (4) pregnancy of a Dependent Child, except Complications of Pregnancy;
- (5) procedures, services, or drugs related to artificial insemination, in vitro or test tube fertilization, including any related testing;
- (6) procedures, services, or drugs for exogenous obesity or weight control;
- (7) services for purchase and fitting of hearing aids;
- (8) services and supplies related to smoking cessation;
- (9) charges for food, food supplements, or vitamins;
- (10) charges related to marriage, family, child, career, social adjustment, pastoral, or financial counseling;
- (11) services related to therapy, supplies, or counseling for sexual dysfunction or inadequacies that do not have a physiological or organic basis;
- (12) procedures, services, or drugs for the reversal of a tubal ligation or a vasectomy;
- (13) charges for rental or purchase of durable medical equipment;
- (14) Injury or Sickness resulting from
  - (a) an act of war, declared or undeclared;
  - (b) active participation in a riot, civil commotion, civil disobedience or unlawful assembly;
  - (c) committing a felony;
  - (d) participation in a contest of speed in a power driven vehicles, parachuting, parasailing, bungee jumping, scuba diving, stunt driving, rock climbing, flying ultra-light aircraft, skydiving, hang gliding or any hazardous sports activity for exhibition purposes;
  - (e) air travel, except as a fare-paying passenger on a commercial airline; or
  - (f) the Insured being intoxicated or under the influence of any narcotic unless the narcotic is administered on the advice of a Physician;
- (15) procedures associated with sex changes;
- (16) elective surgery (with the exception of organ donation) or cosmetic surgery, including

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any expenses related to Hospital Confinement, unless due to a covered Injury or Sickness;

- (17) any Treatment, drugs, or surgery considered Investigational or Experimental by the American Medical Association, the Health Care Finance Administration, or the Federal Drug Administration;
- (18) any Injury or Sickness occurring while the Insured is in the service of the Armed Forces of any country. Orders to active military service for training purposes of two months or less will not constitute service in the Armed Forces. Upon notice to the Company of entering the Armed Forces, the Company will return to the Insured pro rata any premium paid, less any benefits paid, for any period during which the Insured is in such service;
- (19) an Injury or Sickness for which the Insured receives benefits under Workers' Compensation or similar coverage or for which the Insured would receive benefits under Workers' Compensation if the employer had enrolled the Insured for such coverage and the Insured and employer had cooperated in filing a claim under that coverage;
- (20) dental or vision services, including but not limited to treatment, surgery, extractions or x-rays, unless:
  - (a) resulting from an Injury occurring while the Insured's coverage is in force and if performed within 12 months of the date of such Injury; or
  - (b) due to congenital disease or anomaly of a newborn Dependent Child;
- (21) any charges incurred prior to the Effective Date or in excess of the Calendar Year Maximums listed on the Schedule of Benefits[;][or]
- [(22)] [routine examinations, such as health exams, periodic check-ups or routine physicals].

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## **TERMINATION OF INSURANCE**

[An Employee's] coverage will terminate on the earliest of:

- (1) the date the Policy is terminated;
- (2) the end of the last period for which premium has been paid;
- (3) on the date he or she ceases to be Actively in Service as defined in the Policy [, except as provided for under the Leave of Absence provision in this Section];
- (4) on the date he or she no longer meets the requirements for eligibility; [or]
- [(5) the last day of the month following the date the [Employee] attains age 65; [or]]
- [(6) the last day of the month the [Employee] becomes eligible for Medicare; or]
- [(7)] on the date all available benefits under the Certificate have been paid.

[Coverage for an insured [Spouse [or Domestic Partner]] [and/or] [Dependent Child(ren)] will terminate the earliest of:

- (1) the date the Policy is terminated;
- (2) the date the [Employee's] coverage is terminated;
- (3) the end of the last period for which premium has been paid;
- (4) the premium due date following the date the [Spouse] [or Domestic Partner] [and/or Dependent Child(ren)] ceases to meet the definition of [Spouse] [or Domestic Partner] [and/or Dependent Child(ren)];
- (5) the premium due date following the date the Company receives the [Employee's] written request to terminate coverage for his or her [Spouse] [or Domestic Partner] [and/or Dependent Child(ren)]
- [(6)with respect to the [Spouse] [or Domestic Partner], the last day of the month following the date the [Spouse] [or Domestic Partner] attains age 65[;] [or]]
- [(7)with respect to the [Spouse] [or Domestic Partner], the last day of the month the [Spouse] [or Domestic Partner] becomes eligible for Medicare[.]]

Termination of Insurance on any Insured shall be without prejudice to his rights as regarding any claim arising prior thereto.

The Company or the Policyholder may end the Policy on any date by written notice mailed or delivered. If the Company ends the Policy for a reason other than non-payment of premium, the termination becomes effective on the later of the date stated in the notice or 45 days after the Company mails or delivers the written notice of such termination. If any portion of the premium due is not paid, the Policy will terminate in accordance with the Grace Period provision. If the Policyholder ends the Policy, the termination becomes effective on the later of the date stated in the notice or the date the Company receives the written notice of such termination. If the Policy is ended, the Company will promptly refund any unearned premium, or the Policyholder will promptly pay any earned premium which has not yet been paid. Any unearned and earned premium will be calculated on a pro-rata basis.

Termination of the Policy will be without prejudice to the rights of any Insured as respects any claim arising during the period the Policy is in force.

The Policyholder has the sole responsibility to notify [Employees] of such termination.

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**[COBRA CONTINUATION OF COVERAGE]**

The coverage may be continued in accordance with the Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA). It is the responsibility of the Policyholder to comply with COBRA.]

**[LEAVE OF ABSENCE]**

Subject to the continued payment of Premiums due, the [Employee's] coverage may be continued for up to [one] year(s) during a Leave of Absence approved in writing by the [Employee's] employer.]

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## **PREMIUM CALCULATION AND PAYMENT**

Premiums will be computed in accordance with the rates in effect on the Premium due date. [The portion of the premium that the [Employee] is responsible for contributing is shown on the Certificate Schedule of Benefits.] The total premium for the Policy is the sum of premiums for all Insureds.

The first premium is due on the Effective Date of the Policy. Premiums after the first are due at the end of the period for which the preceding premium was paid. [The due date for any additional premium for a dependent eligible on or first acquired after the insured [Employee's] Effective Date will be as follows:

- (1) for newborn children, within 90 days of birth;
- (2) for adopted children, within 60 days of the date the petition for adoption is filed; and
- (3) for foster children and all other dependents, 31 days after coverage for that dependent is required to begin.]

The Policyholder is responsible for paying all premiums. However, the premiums may be paid by any other party according to a mutual agreement among the other party, the Policyholder and the Company.

Premiums may be paid to:

- (1) the Company's Home Office; or
- (2) the Company's authorized agent.

Payment of premium for a period before it is due will not guarantee that the coverage will remain in that effect for that period.

The rates may be changed once the Rate Guarantee Period listed on the Schedule has elapsed after the Effective Date of the Policy or on any Premium due date after that. Any subsequent rate changes will not be made more frequently than once every [6 months]. No such change in premium will be made unless [30 days] prior notice is given to the Policyholder.

The rates may change prior to the time frames outlined above, however, for reasons that affect the insured risk, which include:

- (1) a change in benefits;
- (2) a new law or change in any existing law that affects the Policy; or
- (3) a material change in the composition or size of the Insureds covered under the Policy.

### **GRACE PERIOD**

A grace period of 31 days will be allowed for each premium payment after the first premium. Coverage will remain in effect during the grace period. The coverage under the Policy will terminate at the end of the grace period if the premium has not been paid. The Policyholder must still pay all unpaid premium. This includes the premium due for the grace period. No grace period is provided after the Policyholder has given notice of intent to end the Policy.

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## **CLAIM PROVISIONS**

**NOTICE OF CLAIM:** Written notice of claim must be given to the Company at the address listed on the first page of the Policy, or to the Company's designee. Such notice should be made within 30 days after any claim covered by the Policy. If it is not reasonably possible to give notice within that time, the claim may not be denied or reduced due to the delay.

**CLAIM FORMS:** Claim forms should be used for filing proof of loss. They will be sent to the Insured within 15 days of receipt of notice of claim. If claim forms are not supplied within 15 days, the Insured can give proof as follows:

- (1) in writing;
- (2) setting forth the nature and extent of the claim, including the Physician's diagnosis; and
- (3) within the time stated in the Proof of Loss Provision.

**PROOF OF LOSS:** Proof of loss must be given to the Company within 180 days after the loss. Late proof may be accepted if:

- (1) it was not reasonably possible to give proof in that time; and
- (2) the proof is given within one year from the date proof is otherwise required. This one year limit will not apply in the absence of legal capacity.

**TIME OF PAYMENT OF CLAIMS:** Benefits payable under the Policy will be paid immediately upon receipt of acceptable Proof of Loss.

**PAYMENT OF CLAIMS:** All benefits will be payable to the [Employee], unless assigned by operation of law. Any accrued benefit unpaid at the [Employee's] death may be paid to their estate.

**PHYSICAL EXAMINATION:** The Company has the right to have the Insured examined as often as is reasonably necessary while a claim is pending. The Company will pay for such examination.

**REIMBURSEMENT OF OVERPAYMENT:** The Insured will be responsible for reimbursing the Company for any payment of benefits in excess of the Calendar Year Maximums listed on the Schedule of Benefits. The Insured will also be responsible for reimbursing the Company for any overpayment resulting from fraud or an error in claim processing made by the Insured, the Company or the plan administrator.

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## **GENERAL PROVISIONS**

**ENTIRE CONTRACT-CHANGES:** The entire contract shall include:

- (1) the Policy;
- (2) the application of the Policyholder;
- (3) the Certificates;
- (4) the insured [Employee's] application, if any, attached to the Certificate; and
- (5) all riders, endorsements and amendments.

The terms of the Policy can be changed only by rider, endorsement or amendment signed by an executive officer. Any amendment that reduces or eliminates coverage must be requested in writing or signed by the Policyholder. No agent may change the Policy or waive its provisions.

**CERTIFICATES:** An individual Certificate will be issued for delivery to the insured [Employee]. The Certificate will describe:

- (1) the benefits under the Policy;
- (2) to whom benefits will be paid; and
- (3) the limitations and terms of the Policy.

If more than one Certificate is issued under the Policy to insured [Employee], only the last one issued will be in effect.

If there is a conflict between the Policy and the Certificate, the Policy will control.

**LEGAL ACTION:** No legal action may be brought to recover under the Policy:

- (1) within 60 days after written Proof of Loss has been furnished as required; or
- (2) more than 3 years from the time written Proof of Loss is required to be furnished.

**TIME LIMIT ON CERTAIN DEFENSES:** Except in the case of fraud, after two years from the Effective Date of the Insured's coverage, no statements made in the application can be used to:

- (1) void the coverage; or
- (2) deny a claim for loss incurred commencing after the expiration of such two-year period.

**INCONTESTABILITY:** All statements made by the Policyholder to obtain the Policy are considered representations and not warranties.

No statement will be used to deny or reduce benefits or be used as a defense to a claim, or to deny the validity of the Policy unless a copy of the instrument containing the statement is, or has been, furnished to the Policyholder. After two years from the Effective Date, no such statement will cause this Policy to be contested except for fraud.



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All statements made by an Insured are considered representations and not warranties. No statement will be used to deny or reduce benefits or be used as a defense to a claim unless a copy of the instrument containing the statement is, or has been, furnished to the Insured. In the event of an Insured's death or incapacity, his or her applicable representative shall be given a copy.

After two years from an Insured's Effective Date of coverage, or from the Effective Date of increased benefits, no such statement will cause the coverage or the increased benefits to be contested except for fraud.

**CLERICAL ERROR:** A clerical error by the Policyholder will not end coverage or continue terminated coverage. In the event of such clerical error, a premium adjustment will be made.

**MISSTATEMENT OF AGE:** If an age has been misstated on the application, the benefits will be those the premium paid would have purchased at the correct age.

**CONFORMITY WITH STATE LAWS:** A provision of the Policy that conflicts with a law of the state of issue is hereby changed to meet the minimum standards of that law.

**NEW ENTRANTS:** New [Employees] of the Policyholder [and their dependents] will be added to the applicable class originally insured under the Policy provided they apply for such coverage and meet the requirements for eligibility as stated in the Policy.

**IMPORTANT NOTICE:** For questions regarding this Policy, please contact the Company at the administrative office listed on the first page of this Policy. The Company may also be contacted by telephone at [1-866-623-2953].

If discussions with the Company have failed to produce a satisfactory resolution to a problem, the Arkansas Department of Insurance may be contacted at:

Arkansas Department of Insurance  
Consumer Services Division  
1200 West Third Street  
Little Rock, Arkansas 72201-1904

Telephone: 1-800-852-5494

<i>SERFF Tracking Number:</i>	<i>PERR-127362863</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Beazley Insurance Company, Inc.</i>	<i>State Tracking Number:</i>	<i>49536</i>
<i>Company Tracking Number:</i>	<i>BICI-GH-LMI-AR-11-01-F</i>		
<i>TOI:</i>	<i>H14G Group Health - Hospital Indemnity</i>	<i>Sub-TOI:</i>	<i>H14G.000 Health - Hospital Indemnity</i>
<i>Product Name:</i>	<i>Group Limited Medical Indemnity</i>		
<i>Project Name/Number:</i>	<i>BICI-GH-LMI-AR-11-01-F/BICI-GH-LMI-AR-11-01-F</i>		

## Supporting Document Schedules

	<b>Item Status:</b>	<b>Status</b>
		<b>Date:</b>
<b>Satisfied - Item:</b> Flesch Certification	Approved-Closed	08/26/2011
<b>Comments:</b>		
<b>Attachment:</b>		
Beazley AHFI AR Readability.pdf		

	<b>Item Status:</b>	<b>Status</b>
		<b>Date:</b>
<b>Satisfied - Item:</b> Application	Approved-Closed	08/26/2011
<b>Comments:</b>		
Acknowledged, please refer to form tab.		

	<b>Item Status:</b>	<b>Status</b>
		<b>Date:</b>
<b>Satisfied - Item:</b> Statements of Variability	Approved-Closed	08/26/2011
<b>Comments:</b>		
<b>Attachments:</b>		
AHFIC0001-AR SOV.pdf		
AHFIM0001-AR SOV.pdf		

	<b>Item Status:</b>	<b>Status</b>
		<b>Date:</b>
<b>Satisfied - Item:</b> Authorization letter	Approved-Closed	08/26/2011
<b>Comments:</b>		
<b>Attachment:</b>		
Beazley Authorization Letter.pdf		


# CERTIFICATE OF READABILITY

## Arkansas

FORM NAME	FORM NUMBER	FLESH SCORE
ENROLLMENT FORM	AHFIA0001 062011 Ed.	56.94
APPLICATION FOR GROUP INSURANCE	AHILA0101 052011 Ed.	53.09
GROUP LIMITED MEDICAL INDEMNITY POLICY	AHFIM0001-AR 052011 Ed.	61.88
CERTIFICATE OF INSURANCE	AHFIC0001-AR 052011 Ed.	62.49

The text was Flesch scored by computer.

I certify that to the best of my knowledge and belief, the above referenced forms meet or exceed the readability, legibility, and format requirements of any applicable laws and regulations.

  
(Signature of Company Officer)

Laura A. Maragnano, Asst. Secretary  
Beazley Insurance Company, Inc.  
30 Batterson Park Road  
Farmington, CT 06032  
860-677-3746  
[Laura.maragnano@beazley.com](mailto:Laura.maragnano@beazley.com)

**Beazley Insurance Company, Inc.**  
**Limited Medical Indemnity Certificate (AHFIC0001-AR 052011 Ed.)**  
**Statement of Variability**

Page #	Section of Policy	Bracketed Section (Variables)	Description of Variability
1	Certificate Face Page	Insurer Address (Administrative Office)	Information may vary based on where policy is serviced.
1		Insurer Address (Notice of Claim)	Information may vary based on where claims are handled.
1		15 Day Right to Examine	This provision may be included based on policyholder specifics.
2	Table of Contents	Page Numbers	Page numbers may change to accommodate modifications due to variability changes.
3	Schedule of Benefits	Insured Employee Name	Information will vary by Insured. "Employee" will be changed to "Member" for association policyholders. If a non-personalized certificate is issued, this section will be deleted.
3		Insured Dependent Name(s)	This section of the table will only be included if dependents are insured. The information will vary by Certificate.
3		Certificate Number	Information will vary by Certificate.
3		Certificate Effective Date	Information will vary by Certificate.
3		Policyholder Name	Information will vary by Policyholder.
3		Policyholder Number	Information will vary by Policyholder.
3		Eligibility	The term "permanent" may be used to reflect policyholder specifics. "Employees" will be changed to "Members" for association policyholders. The age limitations will vary by Policyholder. Minimum weekly working hours will be 10 to 30, if included. If Spouses, Domestic Partners and/or Dependent Children are eligible for coverage, they will be included in the second section of this item. If none are eligible, the second section will be deleted.
3		Pre-Existing Condition Period	The pre-existing condition period will be shown here. The pre-existing condition period options are 3, 6 or 12 months. If there is no pre-existing condition limitation, this line will be deleted.
3		Waiting Period	If a waiting period is applied to late entrants, the applicable waiting period will be included.
3		Rate Guarantee Period	The bracketed portion of this provision can vary between 1 and 3 years.
3		Initial Premium	This line will be deleted if the Policyholder is paying 100% of the premium. The frequency of payment options are variable and include weekly, monthly, quarterly, semi-annually and annually. The premium listed will vary by Certificate.

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Page #	Section of Policy	Bracketed Section (Variables)	Description of Variability
3		Hospital Confinement	Hospital Confinement is always covered under the policy, with two benefit configurations: benefit maximums of \$100 to \$2000 per day; or tiered benefits with benefit maximums of \$100 to \$2000 per day for days 1-5 and benefit maximums of \$50 to \$1,000 for remaining days. A per confinement maximum of 15, 30, or 60 days per insured is optional and will be included if covered for the Policyholder. The calendar year maximum is 15, 30, or 60 days per insured.
3		Hospital Intensive Care Unit	This benefit is optional and will be included if covered for the policyholder. Benefit maximums are \$100 to \$3000 per day. The calendar year maximum is 15 or 30 days per insured.
3		Surgical	This benefit is optional and will be included if covered for the policyholder. The maximum benefit amount per inpatient surgery will be \$100 to \$1000 per surgery; the maximum benefit for outpatient surgery will be \$50 to \$375 per surgery. The benefit has a calendar year maximum of 1-2 surgeries for inpatient surgery and 1-2 surgeries for outpatient surgery.
3		Anesthesia	This benefit is optional and will be included if covered for the policyholder. Benefit maximums are a percentage of the amount paid for surgery (20%) or a dollar amount (\$25 to \$200 per surgery). If the policy is issued with the percentage benefit, the dollar amount will be deleted. If the policy is issued with the dollar amount benefit, the percentage benefit will be deleted. The calendar year maximum is \$100 or \$200 per insured.
3		Physician Office/Urgent Care Facility Visit Indemnity	This benefit is optional and will be included if covered for the policyholder. Benefit maximums are \$15 to \$125 per visit, with a calendar year maximum of 3-6 visits per insured.
4		Emergency Room	This benefit is optional and will be included if covered for the Policyholder. Benefit maximums differ by sickness (\$50 to \$150 per visit) or injury (\$100 to \$300 per visit), with a calendar year maximum of 1-3 visits per insured.
4		X-Ray and Laboratory Testing	This benefit is optional and will be included if covered for the Policyholder. Benefit maximums differ by x-ray (\$50 to \$250 per day) and laboratory tests (\$25 to \$100 per day), with a calendar year maximum for x-ray of 3-5 days per insured and a calendar year maximum for laboratory tests of 3-5 days per insured.
4		Major Diagnostic Testing	This benefit is optional and will be included if covered for the Policyholder. Benefit maximums are \$250 to \$500 per test, with a calendar year maximum of 1-2 tests per insured.
4		Preventive Care Visit	This benefit is optional and will be included if covered for the policyholder. Benefit maximums are \$25 to \$75 per visit, with a calendar year maximum of 1-2 visits per insured.

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Page #	Section of Policy	Bracketed Section (Variables)	Description of Variability
4		Ground Ambulance	This benefit is optional and will be included if covered for the policyholder. Benefit maximums are \$50 or \$100 per trip, with a calendar year maximum of 1-2 trips per insured.
4		Air Ambulance	This benefit is optional and will be included if covered for the policyholder. Benefit maximums are \$150 or \$300 per trip.
4		Skilled Nursing Care Facility	This benefit is optional and will be included if covered for the policyholder. Benefit maximums are \$100 to \$250 per day, with a calendar year maximum of 15 or 30 days per insured.
4		Mental Illness and Substance Abuse Confinement	This benefit is optional and will be included if covered for the policyholder. Benefit maximums are \$100 to \$250 per day, with a calendar year maximum of 15 or 30 days per insured.
4		Hospital Admission – Lump Sum	This benefit is optional and will be included if covered for the policyholder. The lump sum benefit is \$100 to \$2500, with a calendar year maximum of 1 or 2 admissions per insured.
4		Mental Illness and Substance Abuse Admission – Lump Sum	This benefit is optional and will be included if covered for the policyholder. The lump sum benefit is \$150 or \$250.
4		Transplant Travel Lump Sum	This benefit is optional and will be included if covered for the policyholder. The lump sum benefit is \$250 to \$1000.
4		Prescription Drug Indemnity	This benefit is optional and will be included if covered for the policyholder. Prescription benefit maximums are \$5-\$25 per prescription, with benefit year maximums of 5-12 prescriptions per insured.
5	Definitions	Actively in Service	“Employment” will be changed to “Membership” for association policyholders. If eligibility requires a minimum number of hours of work per week, the first definition of Actively in Service will be used. If eligibility is not contingent on a minimum number of hours of work per week, the second definition of Actively in Service, along with the definition of Activities of Daily Living, will be used.
6		Dependent Child(ren)	If coverage is not being provided to dependent children, this definition will be deleted.
6/7		Domestic Partner	If coverage is not being provided to domestic partners, this definition will be deleted. The specific definition of domestic partner may vary by specific policyholder.
7		Domestic Partnership Agreement	If coverage is not being provided to domestic partners, this definition will be deleted.

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Page #	Section of Policy	Bracketed Section (Variables)	Description of Variability
7		Employee	"Employee" will be changed to "Member" for association policyholders.
8		Hospital Intensive Care Unit	If the Hospital Intensive Care Unit Benefit is not provided under the policy, this definition will be deleted.
8		Insured	If Spouses, Domestic Partners and/or Dependent Children are eligible for coverage, they will be included in this section.
9		Late Entrant	If the policy does not include a waiting period or delayed effective date for late entrants, this definition will be deleted.
9		Material and Substantial Duties	This definition will only be included if the first definition of Actively in Service is utilized. "Employment" will be changed to "Membership" for association policyholders.
10		Pharmacist	If the Prescription Drug Benefit is not provided under the policy, this definition will be deleted.
10		Pharmacy	If the Prescription Drug Benefit is not provided under the policy, this definition will be deleted. If prescriptions ordered through mail order pharmacies are not covered under the policy, the reference to mail order facilities will be deleted.
10		Pre-Existing Condition	If a pre-existing condition limitation does not apply under the Policy, this definition will be deleted.
11		Prescription	If the Prescription Drug Benefit is not provided under the Policy, this definition will be deleted.
11		Prescription Drug	If the Prescription Drug Benefit is not provided under the Policy, this definition will be deleted.
12		Spouse	If coverage is not being provided to spouses, this definition will be deleted.
12		Transplant	If the Transplant Travel Lump Sum Benefit is not provided under the policy, this definition will be deleted.
12		Urgent Care Facility	If the Physician Office/Urgent Care Facility Visit Indemnity Benefit is not provided under the policy, this definition will be deleted.
12		You, Your	"Employee" will be changed to "Member" for association policyholders.
13	Eligibility and Effective Date	Eligibility	"Employee" will be changed to "Member" for association policyholders.
13		Eligibility of Dependents	If Spouses, Domestic Partners and/or Dependent Children are eligible for coverage, this provision will be included. The last two sentences may be deleted based on case specifics. "Employee" will be changed to "Member" for association policyholders.

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Page #	Section of Policy	Bracketed Section (Variables)	Description of Variability
13/14		Effective Date	If the Policy delays the effective date for late entrants, the bracketed statement will be included. If Spouses, Domestic Partners and/or Dependent Children are eligible for coverage, the bracketed provision will be included. The items in this section to be included will depend specifically on which type of dependents are covered. "Employee" will be changed to "Member" for association policyholders.
15	Benefits	Hospital Confinement Benefit	This benefit is always covered under the policy. If the policy includes a waiting period for late entrants, the bracketed statement will be included. If the per confinement maximum is included, the bracketed language will remain. If additional benefits are covered under the policy, the appropriate bracketed statement regarding concurrent benefits will be included.
15/16		Hospital Intensive Care Unit Benefit	This benefit is optional and will be included if covered for the policyholder. If the policy includes a waiting period for late entrants, the bracketed statement will be included. The appropriate bracketed benefits within the statement regarding concurrent benefits will be included.
16		Surgical Benefit	This benefit is optional and will be included if covered for the policyholder. If the policy includes a waiting period for late entrants, the bracketed statement will be included.
16		Anesthesia Benefit	This benefit is optional and will be included if covered for the policyholder. If the policy includes a waiting period for late entrants, the bracketed statement will be included.
16/17		Physician Office/Urgent Care Facility Visit Indemnity Benefit	This benefit is optional and will be included if covered for the policyholder. If the policy includes a waiting period for late entrants, the bracketed statement will be included. If additional benefits are covered under the policy, the appropriate bracketed statement regarding concurrent benefits will be included.
17		Emergency Room Benefit	This benefit is optional and will be included if covered for the policyholder. If additional benefits are covered under the policy, the appropriate bracketed statement regarding concurrent benefits will be included.
17		X-Ray and Laboratory Testing Benefit	This benefit is optional and will be included if covered for the Policyholder. If the policy includes a waiting period for late entrants, the bracketed statement will be included.
17		Major Diagnostic Testing Benefit	This benefit is optional and will be included if covered for the Policyholder. If the policy includes a waiting period for late entrants, the bracketed statement will be included.
18		Preventive Care Benefit	This benefit is optional and will be included if covered for the policyholder. If the policy includes a



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Page #	Section of Policy	Bracketed Section (Variables)	Description of Variability
			waiting period for late entrants, the bracketed statement will be included. If additional benefits are covered under the policy, the appropriate bracketed statement regarding concurrent benefits will be included.
18		Ground Ambulance Benefit	This benefit is optional and will be included if covered for the policyholder.
18		Air Ambulance Benefit	This benefit is optional and will be included if covered for the policyholder.
18/19		Skilled Nursing Care Facility Benefit	This benefit is optional and will be included if covered for the policyholder. If the policy includes a waiting period for late entrants, the bracketed statement will be included. The appropriate bracketed benefits within the statement regarding concurrent benefits will be included.
19		Mental Illness and Substance Abuse Confinement Benefit	This benefit is optional and will be included if covered for the policyholder. The appropriate bracketed benefits within the statement regarding concurrent benefits will be included.
19		Hospital Admission Lump Sum Benefit	This benefit is optional and will be included if covered for the policyholder. If the policy includes a waiting period for late entrants, the bracketed statement will be included. If additional benefits are covered under the policy, the appropriate bracketed statement regarding concurrent benefits will be included.
20		Mental Illness and Substance Abuse Admission Lump Sum Benefit	This benefit is optional and will be included if covered for the policyholder. If the policy includes a waiting period for late entrants, the bracketed statement will be included. If additional benefits are covered under the policy, the appropriate bracketed statement regarding concurrent benefits will be included.
20		Transplant Travel Lump Sum	This benefit is optional and will be included if covered for the policyholder. If the policy includes a waiting period for late entrants, the bracketed statement will be included.
20		Prescription Drug Benefit	This benefit is optional and will be included if covered for the policyholder. If the policy includes a waiting period for late entrants, the bracketed statement will be included.
21	Limitations	Pre-Existing Condition Limitation	If no Pre-Existing condition applies, this entire provision is deleted. Language regarding waiving/modifying the pre-existing condition for prior coverage may be deleted on a policyholder specific basis.
21		Waiting Period	If the policy does not include a waiting period for late entrants, this provision will be deleted.
23	Exclusions	Exclusion 21	If Exclusions 22 and/or 23 are included, the bracketed text will be included.

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Page #	Section of Policy	Bracketed Section (Variables)	Description of Variability
23		Exclusion 22	This exclusion will be included based on policyholder specifics.
23		Exclusion 23	This exclusion will be included based on policyholder specifics.
24	Termination of Insurance	Termination of Insurance	If Spouses, Domestic Partners and/or Dependent Children are eligible for coverage, the bracketed paragraph will be included. The items in this section to be included will depend specifically on which type of dependents are covered.
25		COBRA Continuation of Coverage	If COBRA rules are applicable, the bracketed provision will be included.
25		Leave of Absence	This provision will be included based on policyholder specifics. The period for leave will be based on policyholder specifics.
26	Premium Calculation and Payment	Premium Calculation and Payment	If the Policyholder is responsible for 100% of the premium, the statement that premium is listed on the Schedule of Benefits will be deleted. The statement regarding the due date for newly acquired dependents will be deleted if dependent coverage is not provided. After the initial rate guarantee period, subsequent rate changes may not be implemented more frequently than every 6 months or longer. The number of days notice for changes in premium may vary between 30 and 90 days.
29	General Provisions	New Entrants	"Employee" will be changed to "Member" for association policyholders. The bracketed reference to dependents will be removed if dependents are not eligible for coverage.
29		Important Notice	Information may vary based on where policy is serviced.

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Page #	Section of Policy	Bracketed Section (Variables)	Description of Variability
1	Certificate Face Page	Policyholder Name	Information will vary by Policyholder.
1		Policyholder Address	Information will vary by Policyholder.
1		Insurer Address (Administrative Office)	Information may vary based on where policy is serviced.
1		Insurer Address (Notice of Claim)	Information may vary based on where claims are handled.
1		Policy Number	Information will vary by Policyholder.
1		Date of Issue	Information will vary by Policyholder.
1		Effective Date	Information will vary by Policyholder.
1		Anniversary Date	Information will vary by Policyholder.
2	Table of Contents	Page Numbers	Page numbers may change to accommodate modifications due to variability changes.
3	Schedule of Benefits	Eligibility	The term “permanent” may be used to reflect policyholder specifics. “Employees” will be changed to “Members” for association policyholders. The age limitations will vary by Policyholder. Minimum weekly working hours will be 10 to 30, if included. If Spouses, Domestic Partners and/or Dependent Children are eligible for coverage, they will be included in the second section of this item. If none are eligible, the second section will be deleted.
3		Waiting Period	If a waiting period is applied to late entrants, the applicable waiting period will be included.
3		Pre-Existing Condition Period	The pre-existing condition period will be shown here. The pre-existing condition period options are 3, 6 or 12 months. If there is no pre-existing condition limitation, this line will be deleted.
3		Rate Guarantee Period	The bracketed portion of this provision can vary between 1 and 3 years.
3		Initial Premium	This line will be deleted if the Policyholder is paying 100% of the premium. The frequency of payment options are variable and include weekly, monthly, quarterly, semi-annually and annually. The premium listed will vary by Certificate.
3		Hospital Confinement	Hospital Confinement is always covered under the policy, with two benefit configurations: benefit maximums of \$100 to \$2000 per day; or tiered benefits with benefit maximums of \$100 to \$2000 per day for days 1-5 and benefit maximums of \$50 to \$1,000 for remaining days. A per confinement

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Page #	Section of Policy	Bracketed Section (Variables)	Description of Variability
			maximum of 15, 30, or 60 days per insured is optional and will be included if covered for the Policyholder. The calendar year maximum is 15, 30, or 60 days per insured.
3		Hospital Intensive Care Unit	This benefit is optional and will be included if covered for the Policyholder. Benefit maximums are \$100 to \$3000 per day. The calendar year maximum is 15 or 30 days per insured.
3		Surgical	This benefit is optional and will be included if covered for the policyholder. The maximum benefit amount per inpatient surgery will be \$100 to \$1000 per surgery; the maximum benefit for outpatient surgery will be \$50 to \$375 per surgery. The benefit has a calendar year maximum of 1-2 surgeries for inpatient surgery and 1-2 surgeries for outpatient surgery.
3		Anesthesia	This benefit is optional and will be included if covered for the policyholder. Benefit maximums are a percentage of the amount paid for surgery (20%) or a dollar amount (\$25 to \$200 per surgery). If the policy is issued with the percentage benefit, the dollar amount will be deleted. If the policy is issued with the dollar amount benefit, the percentage benefit will be deleted. The calendar year maximum is \$100 or \$200 per insured.
3		Physician Office/Urgent Care Facility Indemnity Visit	This benefit is optional and will be included if covered for the Policyholder. Benefit maximums are \$15 to \$125 per visit, with a calendar year maximum of 3-6 visits per insured.
3		Emergency Room	This benefit is optional and will be included if covered for the Policyholder. Benefit maximums differ by sickness (\$50 to \$150 per visit) or injury (\$100 to \$300 per visit), with a calendar year maximum of 1-3 visits per insured.
3/4		X-Ray and Laboratory Testing	This benefit is optional and will be included if covered for the Policyholder. Benefit maximums differ by x-ray (\$50 to \$250 per day) and laboratory tests (\$25 to \$100 per day), with a calendar year maximum for x-ray of 3-5 days per insured and a calendar year maximum for laboratory tests of 3-5 days per insured.
4		Major Diagnostic Testing	This benefit is optional and will be included if covered for the Policyholder. Benefit maximums are \$250 to \$500 per test, with a calendar year maximum of 1-2 tests per insured.
4		Preventive Care Visit	This benefit is optional and will be included if covered for the Policyholder. Benefit maximums are \$25 to \$75 per visit, with a calendar year maximum of 1-2 visits per insured.
4		Ground Ambulance	This benefit is optional and will be included if covered for the Policyholder. Benefit maximums are \$50 or \$100 per trip, with a calendar year maximum of 1-2 trips per insured.
4		Air Ambulance	This benefit is optional and will be included if covered for the Policyholder. Benefit maximums are

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Page #	Section of Policy	Bracketed Section (Variables)	Description of Variability
			\$150 or \$300 per trip.
4		Skilled Nursing Care Facility	This benefit is optional and will be included if covered for the Policyholder. Benefit maximums are \$100 to \$250 per day, with a calendar year maximum of 15 or 30 days per insured.
4		Mental Illness and Substance Abuse Confinement	This benefit is optional and will be included if covered for the Policyholder. Benefit maximums are \$100 to \$250 per day, with a calendar year maximum of 15 or 30 days per insured.
4		Hospital Admission – Lump Sum	This benefit is optional and will be included if covered for the Policyholder. The lump sum benefit is \$100 to \$2500, with a calendar year maximum of 1 or 2 admissions per insured.
4		Mental Illness and Substance Abuse Admission – Lump Sum	This benefit is optional and will be included if covered for the Policyholder. The lump sum benefit is \$150 or \$250.
4		Transplant Travel Lump Sum	This benefit is optional and will be included if covered for the Policyholder. The lump sum benefit is \$250 to \$1000.
4		Prescription Drug Indemnity	This benefit is optional and will be included if covered for the policyholder. Prescription benefit maximums are \$5-\$25 per prescription, with benefit year maximums of 5-12 prescriptions per insured.
5	Definitions	Actively in Service	“Employment” will be changed to “Membership” for association policyholders. If eligibility requires a minimum number of hours of work per week, the first definition of Actively in Service will be used. If eligibility is not contingent on a minimum number of hours of work per week, the second definition of Actively in Service, along with the definition of Activities of Daily Living, will be used.
6		Certificate	“Employee” will be changed to “Member” for association policyholders.
6		Dependent Child(ren)	“Employee” will be changed to “Member” for association policyholders. If coverage is not being provided to dependent children, this definition will be deleted.
6/7		Domestic Partner	“Employee” will be changed to “Member” for association policyholders. If coverage is not being provided to domestic partners, this definition will be deleted. The specific definition of domestic partner may vary by specific policyholder.
7		Domestic Partnership Agreement	“Employee” will be changed to “Member” for association policyholders. If coverage is not being provided to domestic partners, this definition will be deleted.

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Page #	Section of Policy	Bracketed Section (Variables)	Description of Variability
7		Effective Date	"Employee" will be changed to "Member" for association policyholders.
7		Employee	"Employee" will be changed to "Member" for association policyholders.
8		Hospital Intensive Care Unit	If the Hospital Intensive Care Unit Benefit is not provided under the Policy, this definition will be deleted.
9		Insured	If Spouses, Domestic Partners and/or Dependent Children are eligible for coverage, they will be included in this section. "Employee" will be changed to "Member" for association policyholders.
9		Late Entrant	If the policy does not include a waiting period or delayed effective date for late entrants, this definition will be deleted.
9		Material and Substantial Duties	This definition will only be included if the first definition of Actively in Service is utilized. "Employee" and "Employment" will be changed to "Member" and "Membership" for association policyholders.
10		Pharmacist	If the Prescription Drug Benefit is not provided under the Policy, this definition will be deleted.
10		Pharmacy	If the Prescription Drug Benefit is not provided under the Policy, this definition will be deleted. If prescriptions ordered through mail order pharmacies are not covered under the Policy, the reference to mail order facilities will be deleted.
10/11		Pre-Existing Condition	If there is no pre-existing condition limitation, this definition will be deleted.
11		Prescription	If the Prescription Drug Benefit is not provided under the Policy, this definition will be deleted.
11		Prescription Drug	If the Prescription Drug Benefit is not provided under the Policy, this definition will be deleted.
12		Spouse	If coverage is not being provided to spouses, this definition will be deleted. "Employee" will be changed to "Member" for association policyholders.
12		Transplant	If the Transplant Travel Lump Sum Benefit is not provided under the Policy, this definition will be deleted.
12		Urgent Care Facility	If the Physician Office/Urgent Care Facility Visit Indemnity Benefit is not provided under the Policy, this definition will be deleted.
13	Eligibility and Effective Date	Eligibility	"Employee" will be changed to "Member" for association policyholders.
13		Eligibility of Dependents	If Spouses, Domestic Partners and/or Dependent Children are eligible for coverage, this provision will be included. The last two sentences may be deleted based on case specifics. "Employee" will be

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Page #	Section of Policy	Bracketed Section (Variables)	Description of Variability
			changed to "Member" for association policyholders.
13/14		Effective Date	If the Policy delays the effective date for late entrants, the bracketed statement will be included. If Spouses, Domestic Partners and/or Dependent Children are eligible for coverage, the bracketed provision will be included. The items in this section to be included will depend specifically on which type of dependents are covered. "Employee" will be changed to "Member" for association policyholders.
15		Hospital Confinement Benefit	This benefit is always covered under the Policy. If the policy includes a waiting period for late entrants, the bracketed statement will be included. If the per confinement maximum is included, the bracketed language will remain. If additional benefits are covered under the policy, the appropriate bracketed statement regarding concurrent benefits will be included.
15/16		Hospital Intensive Care Unit Benefit	This benefit is optional and will be included if covered for the policyholder. If the policy includes a waiting period for late entrants, the bracketed statement will be included. The appropriate bracketed benefits within the statement regarding concurrent benefits will be included.
16		Surgical Benefit	This benefit is optional and will be included if covered for the policyholder. If the policy includes a waiting period for late entrants, the bracketed statement will be included.
16		Anesthesia Benefit	This benefit is optional and will be included if covered for the Policyholder. If the policy includes a waiting period for late entrants, the bracketed statement will be included.
16/17		Physician Office/Urgent Care Facility Visit Indemnity Benefit	This benefit is optional and will be included if covered for the Policyholder. If the policy includes a waiting period for late entrants, the bracketed statement will be included. If additional benefits are covered under the Policy, the appropriate bracketed statement regarding concurrent benefits will be included.
17		Emergency Room Benefit	This benefit is optional and will be included if covered for the Policyholder. If additional benefits are covered under the Policy, the appropriate bracketed statement regarding concurrent benefits will be included.
17		X-Ray and Laboratory Testing Benefit	This benefit is optional and will be included if covered for the Policyholder. If the policy includes a waiting period for late entrants, the bracketed statement will be included.
17/18		Major Diagnostic Testing Benefit	This benefit is optional and will be included if covered for the Policyholder. If the policy includes a waiting period for late entrants, the bracketed statement will be included.

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Page #	Section of Policy	Bracketed Section (Variables)	Description of Variability
18		Preventive Care Benefit	This benefit is optional and will be included if covered for the Policyholder. If the policy includes a waiting period for late entrants, the bracketed statement will be included. If additional benefits are covered under the Policy, the appropriate bracketed statement regarding concurrent benefits will be included.
18		Ground Ambulance Benefit	This benefit is optional and will be included if covered for the Policyholder.
18		Air Ambulance Benefit	This benefit is optional and will be included if covered for the Policyholder.
19		Skilled Nursing Care Facility Benefit	This benefit is optional and will be included if covered for the policyholder. If the policy includes a waiting period for late entrants, the bracketed statement will be included. The appropriate bracketed benefits within the statement regarding concurrent benefits will be included.
19		Mental Illness and Substance Abuse Confinement Benefit	This benefit is optional and will be included if covered for the policyholder. If the policy includes a waiting period for late entrants, the bracketed statement will be included. The appropriate bracketed benefits within the statement regarding concurrent benefits will be included.
19/20		Hospital Admission Lump Sum Benefit	This benefit is optional and will be included if covered for the Policyholder. If the policy includes a waiting period for late entrants, the bracketed statement will be included. If additional benefits are covered under the Policy, the appropriate bracketed statement regarding concurrent benefits will be included.
20		Mental Illness and Substance Abuse Admission Lump Sum Benefit	This benefit is optional and will be included if covered for the Policyholder. If the policy includes a waiting period for late entrants, the bracketed statement will be included. If additional benefits are covered under the Policy, the appropriate bracketed statement regarding concurrent benefits will be included.
20		Transplant Travel Lump Sum	This benefit is optional and will be included if covered for the Policyholder. If the policy includes a waiting period for late entrants, the bracketed statement will be included.
20		Prescription Drug Indemnity Benefit	This benefit is optional and will be included if covered for the Policyholder. If the policy includes a waiting period for late entrants, the bracketed statement will be included.
21		Pre-Existing Condition Limitation	If no Pre-Existing condition applies, this entire provision is deleted. Language regarding waiving/modifying the pre-existing condition for prior coverage may be deleted on a policyholder specific basis.
21		Waiting Period	If the policy does not include a waiting period for late entrants, this provision will be deleted.



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Page #	Section of Policy	Bracketed Section (Variables)	Description of Variability
23	Exclusions	Exclusion 21	If Exclusions 22 and/or 23 are included, the bracketed text will be included.
23		Exclusion 22	This exclusion will be included based on policyholder specifics.
23		Exclusion 23	This exclusion will be included based on policyholder specifics.
24	Termination of Insurance	Termination of Insurance	If Spouses, Domestic Partners and/or Dependent Children are eligible for coverage, the bracketed paragraph will be included. The items in this section to be included will depend specifically on which type of dependents are covered. "Employee" will be changed to "Member" for association policyholders.
25		COBRA Continuation of Coverage	If COBRA rules are applicable, the bracketed provision will be included.
25		Leave of Absence	This provision will be included based on policyholder specifics. "Employee" will be changed to "Member" for association policyholders. The period for leave will be based on policyholder specifics.
26	Premium Calculation and Payment	Premium Calculation and Payment	"Employee" will be changed to "Member" for association policyholders. If the Policyholder is responsible for 100% of the premium, the statement that premium is listed on the Schedule of Benefits will be deleted. The statement regarding the due date for newly acquired dependents will be deleted if dependent coverage is not provided. After the initial rate guarantee period, subsequent rate changes may not be implemented more frequently than every 6 months or longer. The number of days notice for changes in premium may vary between 30 and 90 days.
27	Claim Provisions	Payment of Claims	"Employee" will be changed to "Member" for association policyholders.
28	General Provisions	Entire Contract; Changes	"Employee" will be changed to "Member" for association policyholders.
28		Certificates	"Employee" will be changed to "Member" for association policyholders.
29		New Entrants	"Employee" will be changed to "Member" for association policyholders. The bracketed reference to dependents will be removed if dependents are not eligible for coverage.
29		Important Notice	Information may vary based on where policy is serviced.

**Beazley Group**

8500 Normandale Lake Blvd  
Suite 955  
Bloomington, MN 55437  
USA

Phone (952) 656 7171  
Fax (952) 656 7210

info@beazley.com  
www.beazley.com

March 16, 2011

**To Whom It May Concern:**

Perr&Knight, Inc. is hereby authorized to submit rate, rule, and form filings on behalf of Beazley Insurance Company, Inc. This authorization includes providing additional information and responding to questions regarding the filings on our behalf as necessary. This authorization is deemed in be in effect until rescinded in writing.

Please direct all correspondences and inquiries related to this filing to Perr&Knight, Inc. at the following address:

State Filings Department  
Perr&Knight, Inc.  
881 Alma Real Drive, Suite 205  
Pacific Palisades, CA 90272  
Tel: (888) 201-5123  
Fax: (310) 230-1061  
[doi@perrknight.com](mailto:doi@perrknight.com)

Please contact me at 952-886-7221 if you have any questions regarding this authorization.

Sincerely,



Paul Gulstrand  
Head of Accident & Health Insurance, USA  
Email: paul.gulstrand@beazley.com

beazley

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<i>SERFF Tracking Number:</i>	<i>PERR-127362863</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Beazley Insurance Company, Inc.</i>	<i>State Tracking Number:</i>	<i>49536</i>
<i>Company Tracking Number:</i>	<i>BICI-GH-LMI-AR-11-01-F</i>		
<i>TOI:</i>	<i>H14G Group Health - Hospital Indemnity</i>	<i>Sub-TOI:</i>	<i>H14G.000 Health - Hospital Indemnity</i>
<i>Product Name:</i>	<i>Group Limited Medical Indemnity</i>		
<i>Project Name/Number:</i>	<i>BICI-GH-LMI-AR-11-01-F/BICI-GH-LMI-AR-11-01-F</i>		

## Superseded Schedule Items

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

<b>Creation Date:</b>	<b>Schedule</b>	<b>Schedule Item Name</b>	<b>Replacement Creation Date</b>	<b>Attached Document(s)</b>
08/10/2011	Form	CERTIFICATE OF INSURANCE	08/24/2011	AHFIC0001-AR 052011 Ed.pdf (Superceded)
08/10/2011	Form	GROUP LIMITED MEDICAL INDEMNITY POLICY	08/24/2011	AHFIM0001-AR 052011 Ed.pdf (Superceded)

<b>INSURER NAME:</b>	Beazley Insurance Company, Inc.
<b>INSURER ADDRESS: ADMINISTRATIVE OFFICE</b>	[30 Batterson Park Road Farmington, CT 06032]
<b>INSURER ADDRESS: NOTICE OF CLAIM</b>	[30 Batterson Park Road Farmington, CT 06032]

### **CERTIFICATE OF INSURANCE**

Beazley Insurance Company, Inc. (We, Us, Our) hereby certifies that it has issued and delivered to the Policyholder a group Policy, described on the Schedule of Benefits page. The group Policy covers certain eligible persons as described in the Policy.

This Certificate describes the benefits and provisions of the group Policy. It becomes Your Certificate of Insurance only if: 1) You are eligible for the insurance; 2) You are Actively In Service on the date it is to take effect; and 3) You become insured and remain insured in accordance with the provisions of the Policy. The insurance is to be effective only if the required premium payments are made by You or on Your behalf to Us. No agent may change the Policy or waive any of its provisions.

IN WITNESS WHEREOF, We have caused this Certificate to take effect on the Effective Date.

[  
  
Secretary

[  
  
President

### **GROUP LIMITED MEDICAL INDEMNITY CERTIFICATE**

**THIS IS A LIMITED BENEFIT CERTIFICATE. BENEFITS PROVIDED ARE NOT INTENDED TO COVER ALL MEDICAL EXPENSES.**

### **[FIFTEEN DAY RIGHT TO EXAMINE CERTIFICATE**

If You decide that You do not want this Certificate for any reason, You may return it to Us within fifteen (15) days after the date You receive it [.] [for a full refund of any premium paid.] When it is returned, it will be considered void as though it were never issued.]

**The Policy is a contract between the Policyholder and the Company.**

**This Certificate is renewable at the option of the Company. Please read the Termination of Insurance provision of this Certificate.**

**READ YOUR CERTIFICATE CAREFULLY.**

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## SCHEDULE OF BENEFITS

<b>[INSURED [EMPLOYEE] NAME:</b>		[Employee]]	
<b>[INSURED DEPENDENT NAME(S):]</b>		[Spouse [or Domestic Partner]] [Dependent Child(ren)]	
<b>CERTIFICATE NUMBER:</b>	[XXXXXX]	<b>CERTIFICATE EFFECTIVE DATE:</b>	[10/15/2010]
<b>POLICYHOLDER NAME:</b>	[XYZ Company, Inc]	<b>POLICYHOLDER NUMBER:</b>	[XXXXXX]

**ELIGIBILITY:** [ALL [PERMANENT] [EMPLOYEES,] [BETWEEN THE AGES OF 18 AND 69,]  
[WORKING [25] HOURS OR MORE PER WEEK AND] ACTIVELY IN  
SERVICE [AND [SPOUSES [OR DOMESTIC PARTNERS]] [AND/OR]  
[DEPENDENT CHILD(REN)] OF ELIGIBLE [EMPLOYEES]]]

**[PRE-EXISTING CONDITION PERIOD:** [3 Months]]  
**[WAITING PERIOD FOR LATE ENTRANTS** [30][60][90] Days]  
**RATE GUARANTEE PERIOD** [3 Years]  
**[[INITIAL] [MONTHLY] PREMIUM** [\$9.99]]

### BENEFIT(S)

### BENEFIT AMOUNTS/MAXIMUMS

#### **HOSPITAL CONFINEMENT**

[Benefit Amount  
[Days 1-5  
Days 6-[15][30][60]  
[Per Confinement Maximum  
Calendar Year Maximum

[\$100 to \$2,000] per day  
[\$100 to \$2,000] per day  
[\$50 to \$1,000] per day  
[15, 30, 60] days per Insured]  
[15, 30, 60] days per Insured

#### **[HOSPITAL INTENSIVE CARE UNIT**

Benefit Amount  
Calendar Year Maximum

[\$100 to \$3,000] per day  
[15, 30] days per Insured]

#### **[SURGICAL**

Inpatient Surgery Benefit Amount  
Outpatient Surgery Benefit Amount  
Calendar Year Maximum for Inpatient Surgery  
Calendar Year Maximum for Outpatient Surgery

[\$100 to \$1000] Per surgery  
[\$50 to \$375] Per surgery  
[1-2] surger[y][ies] per Insured  
[1-2] surger[y][ies] per Insured]

#### **[ANESTHESIA**

Benefit Amount  
  
Calendar Year Maximum

[20% of the Surgical Benefit paid][25 to  
\$200] per surgery  
[\$100, \$200] per Insured]

#### **[PHYSICIAN OFFICE/URGENT CARE FACILITY VISIT INDEMNITY**

Benefit Amount  
Calendar Year Maximum

[\$15 to \$125] per visit  
[3 to 6] visits per Insured]

---

**[EMERGENCY ROOM**

Benefit Amount per Sickness	[\$50 to \$150] per visit
Benefit Amount per Injury	[\$100 to \$300] per visit
Calendar Year Maximum	[1 to 3] visit[s] per Insured]

**[X-RAY AND LABORATORY TESTING**

Benefit Amount for X-Ray	[\$50 to \$250] per day
Benefit Amount for Laboratory Test	[\$25 to \$100] per day
Calendar Year Maximum for X-Ray	[3 to 5] days per Insured
Calendar Year Maximum for Laboratory Test	[3 to 5] days per Insured]

**[MAJOR DIAGNOSTIC TESTING**

Benefit Amount	[\$250 to \$500] per test
Calendar Year Maximum	[1 to 2] test[s] per Insured]

**[PREVENTIVE CARE VISIT**

Benefit Amount	[\$25 to \$75] per visit
Calendar Year Maximum	[1, 2] visit[s] per Insured]

**[GROUND AMBULANCE**

Benefit Amount	[\$50, \$100] per trip
Calendar Year Maximum	[1, 2] trip[s] per Insured]

**[AIR AMBULANCE**

Benefit Amount	[\$150, \$300] per trip
Calendar Year Maximum	1 trip per Insured]

**[SKILLED NURSING CARE FACILITY**

Benefit Amount	[\$100 to \$250] per day
Calendar Year Maximum	[15, 30] days per Insured]

**[MENTAL ILLNESS and SUBSTANCE ABUSE CONFINEMENT**

Benefit Amount	[\$100 to \$250] per day
Calendar Year Maximum	[15, 30] days per Insured]

**[HOSPITAL ADMISSION – LUMP SUM**

Benefit Amount	[\$100 to \$2,500]
Calendar Year Maximum	[1, 2] admission[s] per Insured]

**[MENTAL ILLNESS AND SUBSTANCE ABUSE ADMISSION – LUMP SUM**

Benefit Amount	[\$150, \$250]
Calendar Year Maximum	1 admission per Insured]

**[TRANSPLANT TRAVEL LUMP SUM**

Benefit Amount	[\$250 to \$1,000]
Calendar Year Maximum	1 occurrence per Insured]

**[PRESCRIPTION DRUG INDEMNITY**

Benefit Amount	[\$5 to \$25] for each Prescription Drug
Calendar Year Maximum	[5 to 12] Prescriptions per Insured]

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## **DEFINITIONS**

**ACCIDENT** means an external event occurring by chance or unintentionally, independent of any Sickness.

**[ACTIVELY IN SERVICE]** means that You are:

- (1) performing in the usual manner, all of the Material and Substantial Duties of Your [employment] for the regularly scheduled number of hours on a scheduled work day; and
- (2) the Material and Substantial Duties are being performed at one of the places of business where You normally perform such duties or at some location to which Your [employment] sends You.

You will be said to be Actively in Service on a day that is not a scheduled work day only if You are able to perform in the usual manner all of the regular duties of Your [employment] if it were a scheduled work day.]

**[ACTIVELY IN SERVICE]** means that You are:

- (1) not an in-patient in a Hospital, Skilled Nursing Facility, rehabilitation hospital, convalescent/personal care facility or receiving outpatient care and/or therapy that affects Your ability to perform Your regular duties on a scheduled basis;
- (2) not confined at home under the care of a Physician for a treatment of a bodily injury or sickness; or
- (3) able to perform [4-6] of the Activities of Daily Living.

**ACTIVITIES OF DAILY LIVING** means the following basic daily tasks necessary to maintain a person's health and safety:

- (1) Bathing: washing oneself by sponge bath; or in either a tub or shower, including the task of getting into or out of the tub or shower.
- (2) Continence: ability to maintain control of bowel and bladder function; or, when not able to maintain control of bowel or bladder function, the ability to perform related personal hygiene (including caring for a catheter or colostomy bag).
- (3) Dressing: putting on and taking off all items of clothing and any required braces, fasteners or artificial limbs.
- (4) Eating: feeding oneself by getting food into the body from a receptacle (such as a plate, cup or table) or by feeding tube or intravenously.
- (5) Toileting: getting to and from the toilet, getting on and off the toilet, and performing related personal hygiene.
- (6) Transferring: moving into or out of a bed, chair or wheelchair.]

**CALENDAR YEAR** means the period beginning on the coverage Effective Date shown on the Certificate Schedule and ending on December 31 of the same year. Thereafter, it is the period beginning on January 1 and ending on December 31 of each following year.



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**CERTIFICATE** means the individual Certificate issued to You. It describes Your coverage under the Policy.

**COMPLICATIONS OF PREGNANCY** means any of the following:

- (1) a condition that, while affected by pregnancy, is still classified by accepted medical standards as a Sickness apart from the normal bodily changes that accompany pregnancy;
- (2) a non-elective Caesarean section;
- (3) an extra-uterine or ectopic pregnancy; or
- (4) a spontaneous termination of pregnancy during a period of gestation in which a viable birth is not possible.

Complications of Pregnancy do not include: false labor, premature labor, high risk pregnancy or delivery, occasional spotting, Physician-prescribed rest, morning sickness, pre-eclampsia or placenta previa or similar conditions that occur in a difficult pregnancy.

**CONFINED OR CONFINEMENT** means the assignment to a bed as a resident inpatient in a Hospital, or confinement in an Observation Unit within a Hospital for a period of 23 or more continuous hours, on the advice of a Physician.

**[DEPENDENT CHILD(REN)]** means all of Your children who are unmarried and less than 26 years of age. However, if any Dependent Child is incapable of self-sustaining employment due to mental retardation or physical handicap and is dependent on a parent(s) for support, such age limit of 26 shall not apply. Proof of such incapacity and dependency must be furnished to Us.

Child(ren) means Your biological children, stepchildren, adopted children, foster children or any child for whom You are required by a court or administrative order to provide health coverage.]

**[DOMESTIC PARTNER]** means a person of the [same] [or] [opposite] sex who:

- [(1) is at least 18 years old and legally capable to enter into a contract][:;]
- [(2) is not related by blood to You more closely than is permissible for marriage in the state of residence][:;]
- [(3) is not married or legally separated][:;]
- [(4) has not been party to an action or proceeding for divorce or annulment within the last 6 months, or has been a party to such an action or proceeding and at least 6 months have elapsed since the date of the judgment terminating the marriage][:;]
- [(5) is not currently in a domestic partnership with a different domestic partner and has not been in such a relationship for at least 6 months][:;]
- [(6) occupies the same residence as You][:;]
- [(7) has not entered into a domestic partnership relationship that is temporary, social, political, commercial or economic in nature][:;] [and]

---

[(8) has entered into a Domestic Partnership Agreement with You].]

**[DOMESTIC PARTNERSHIP AGREEMENT]** means an arrangement between You and another person of the [same] [or] [opposite] sex that includes 3 of the following:

- (1) joint lease, mortgage or deed;
- (2) joint ownership of a vehicle;
- (3) joint ownership of a checking account or credit account;
- (4) designation of the Domestic Partner as the beneficiary of Your life insurance or retirement benefits;
- (5) designation of the Domestic Partner as the beneficiary of Your will;
- (6) designation of the Domestic Partner as holding power of attorney for health care; and
- (7) shared household expenses.]

**EFFECTIVE DATE** means the date described in the Policy. The date shown in Your Certificate Schedule of Benefits will be the Effective Date of coverage. The Effective Date will start at 12:01 a.m. at the main place of business of the Policyholder.

**EMERGENCY ROOM** means a facility located on the premises of, or physically part of, a Hospital that provides initial Treatment to patients with Sickness or Injury requiring immediate attention. An Emergency Room is specially equipped and staffed to provide emergency care.

**[EMPLOYEE]** means a person who is Actively in Service as [an employee] of the Policyholder.

**HOSPITAL** means a general acute care facility that meets all of the following:

- (1) it is licensed as a Hospital pursuant to applicable law;
- (2) it is primarily and continuously engaged in providing medical care and treatment to sick and injured persons;
- (3) it is managed under the supervision of a staff of medical doctors;
- (4) it provides 24-hour nursing services by or under the supervision of a graduate registered nurse (R.N.);
- (5) it has medical, diagnostic and treatment facilities, with major surgical facilities on its premises, or available on a prearranged basis;
- (6) it charges for its services. This requirement is waived for Veterans Administration Hospitals and Federal Government Hospitals.

Hospital does not include any of the following:

- (1) a rest or nursing home, home for the aged, or convalescent home;
- (2) a Skilled Nursing Care Facility, rehabilitation center, extended care facility, or assisted living center; or

- 
- (3) a hospice, custodial care facility, or birthing center; or
  - (4) a Mental Illness/Substance Abuse Treatment Facility.

**[HOSPITAL INTENSIVE CARE UNIT** means a place which:

- (1) is a specifically designated area of the Hospital called an intensive care unit that is restricted to patients who are critically ill or injured and who require intensive, comprehensive observation and care;
- (2) is separate and apart from the surgical recovery room and from rooms, beds and wards customarily used for patient confinement;
- (3) is permanently equipped with special lifesaving equipment for the care of the critically ill or injured;
- (4) is under constant and continuous observation by a specially trained nursing staff assigned exclusively to the intensive care unit on a 24 hour basis; and
- (5) has a Physician assigned to the intensive care unit on a full-time basis.

A Hospital Intensive Care Unit that meets the definition above may include hospital units with the following names:

- (1) Intensive Care Unit;
- (2) Coronary Care Unit;
- (3) Neonatal Intensive Care Unit;
- (4) Pulmonary Care Unit;
- (5) Burn Unit; or
- (6) Transplant Unit.

A Hospital Intensive Care Unit is not any of the following step-down units:

- (1) a progressive care unit;
- (2) an intermediate care unit;
- (3) a private monitored room;
- (4) sub-acute intensive care unit;
- (5) an observation unit; or
- (6) any facility not meeting the definition of a Hospital Intensive Care Unit as defined in this Certificate.]

**INJURY** means bodily injury due to an Accident sustained directly and independently of all other Accidents or Sickness. It includes all complications of and all Injuries from the same Accident.

**INPATIENT SURGERY** means a surgical procedure performed on an Insured who is Confined as a registered bed patient in a Hospital or other medical facility.

**INSURED(S)** means the You [and] [.,] [Your Spouse [or Domestic Partner]] [and/or Your Dependent Child(ren)] as indicated in the Certificate Schedule.

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**INVESTIGATIONAL OR EXPERIMENTAL** means care, treatment, services or supplies not approved or recognized for the treatment of Injury or Sickness by any of the following:

- (1) The American Medical Association;
- (2) The United States Surgeon General;
- (3) The United States Department of Public Health;
- (4) The National Institute of Health; or
- (5) Medicare.

Drugs are considered investigational or experimental if they are not:

- (1) commercially available for purchase; and
- (2) approved by the Food and Drug Administration for general use.

**[LATE ENTRANT** means a[n] [Employee] who applies for coverage more than 31 days after becoming eligible.]

**[MATERIAL AND SUBSTANTIAL DUTIES** means the duties that are:

- (1) are normally required for the performance of Your [employment]; and
- (2) cannot be reasonably omitted or modified.]

**MEDICALLY NECESSARY** means any services, tests, office visits, drugs, or supplies:

- (1) needed to diagnose, treat symptoms or medical conditions, or provide preventative care in a manner generally accepted by the medical community;
- (2) ordered, prescribed, recommended, or approved by a Physician to diagnose or treat symptoms or a specific medical condition;
- (3) not simply for the convenience of Physician or patient; and
- (4) not used for Investigational or Experimental Treatment.

**MENTAL ILLNESS** means any diagnosed condition listed in the Diagnostic and Statistical Manual of Mental Disorders most recent edition, revised (DSM) for which treatment is commonly sought from a psychiatrist or mental health provider. Diagnoses described in the DSM will be considered mental illness, regardless of etiology.

**MENTAL ILLNESS / SUBSTANCE ABUSE TREATMENT FACILITY** means a facility that provides inpatient Treatment for Mental Illness and/or Substance Abuse. Mental Illness/Substance Abuse Treatment Facility is a place which:

- (1) is established and operated pursuant to applicable state laws;
- (2) provides the following basic services:
  - (a) room and board;
  - (b) evaluation and diagnosis;
  - (c) counseling; and

- 
- (3) has or maintains a written, specific, and detailed regimen requiring full-time residence and full-time participation by the Insured;

A Mental Illness/Substance Abuse Treatment Facility does not include a unit or wing within a Hospital, a half-way house, a group home, a recovery farm, or any similar facility.

**OBSERVATION UNIT** means a specified area within a Hospital, apart from the Emergency Room, where a patient can be monitored following Outpatient Surgery or Treatment in the Emergency Room by a Physician, and which:

- (1) is under the direct supervision of a Physician or registered nurse;
- (2) is staffed by nurses assigned specifically to that unit; and
- (3) provides care seven days per week, 24 hours per day.

**OUTPATIENT SURGERY** means a surgical procedure performed on an Insured who is not Confined, but who utilizes a Hospital, ambulatory surgical facility or other similar medical facility for the surgery.

**[PHARMACIST** means an individual operating within the scope of his or her license in the state where so licensed to dispense Prescription Drugs.]

**[PHARMACY** means a retail location [or mail order facility] operating in accordance with the State Board of Pharmacy or other governing body where Prescription Drugs are dispensed by a Pharmacist.]

**PHYSICIAN** means a practitioner of the healing arts who:

- (1) is practicing within the scope of his or her license in the state where so licensed; and
- (2) is not related to the Insured.

**POLICY** means the Policy issued to the Policyholder that covers the Insured.

**POLICYHOLDER** means the employer, association or other organization who holds the Policy.

**[PRE-EXISTING CONDITION** means any sickness, disease, or physical condition for which the Insured has:

- (1) had Treatment; or
- (2) received a diagnosis or advice from a Physician,  
during the Pre-Existing Condition Period indicated on the Schedule of Benefits, immediately before the Effective Date of Coverage.]

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**[PRESCRIPTION** means a written, electronic, or oral order for a drug, authorized by a Physician. A Prescription may be written to provide a sufficient amount of medication necessary for the duration of the Sickness or an amount sufficient to cover the interval between visits to the prescribing Physician, but it may not be dispensed more than once every [31] days for a 30 day supply from a retail Pharmacy, or once every [91] days for a 90 day supply from a mail-order Pharmacy.]

**[PRESCRIPTION DRUG** means a drug which, under state or federal law, requires a Prescription to dispense. Prescription Drug does not include any of the following:

- (1) all over-the-counter (OTC) products and medications. This includes, but is not limited to, electrolyte replacement, infant formulas, miscellaneous nutritional supplements and all other OTC products and medications;
- (2) medical supplies and durable medical equipment;
- (3) liquid nutritional supplements, pediatric vitamins, prenatal vitamins, prescribed versions of vitamins A, D, K, B12, folic acid and niacin used in treatment versus as a dietary supplement, and all other vitamins and nutritional supplements;
- (4) anorexiant, any cosmetic drugs including, but not limited to, Renova, skin pigmentation preps, any drugs or products used for the treatment of baldness, and topical dental fluorides;
- (5) refills in excess of that specified by the prescribing Physician, or refills dispensed after one year from the original date of the Prescription;
- (6) drugs needed due to conditions caused, directly or indirectly, by an Insured taking part in a riot or other civil disorder, or the Insured taking part in the commission of a felony;
- (7) drugs needed due to conditions caused, directly or indirectly, by declared or undeclared war or an act of war, or drugs dispensed to an Insured while on active duty in any armed forces;
- (8) any expenses related to the administration of a drug;
- (9) needles or syringes for the administration of a drug;
- (10) drugs covered under Workers' Compensation, Medicare, Medicaid, or other governmental programs;
- (11) drugs, medicines, or products which are not Medically Necessary; or
- (12) smoking deterrents.]

**SCHEDULE OF BENEFITS (or Schedule)** means the benefit schedule set forth in the Policy or Certificate.

**SICKNESS** means an illness or disease that starts while the Insured's coverage is in force. Sickness includes pregnancy and Complications of Pregnancy.

---

**SKILLED NURSING CARE FACILITY** means a place where an Insured goes to recover from a Sickness and that:

- (1) is a legally operated facility that can be part of a hospital;
- (2) operates 24 hours a day and will accept inpatients on an overnight basis;
- (3) is supervised by a Physician;
- (4) has a 24-hour a day nursing staff which is supervised by a registered nurse; and
- (5) keeps written daily records for each patient.

Notwithstanding the above, a Skilled Nursing Care Facility is not:

- (1) a rest home or a home for the aged;
- (2) a place that provides mostly custodial care; or
- (3) a place for alcoholics or drug addicts.

**[SPOUSE** means the person recognized as Your spouse under the laws of the state in which You reside.].

**SUBSTANCE ABUSE** means the psychological or physical dependence on or addiction to alcohol, drugs and other controlled substances.

**[TRANSPLANT** means the Medically Necessary transfer of one or a combination of any of the following organs:

- (1) kidney;
- (2) pancreas;
- (3) heart;
- (4) lung (single or double); or
- (5) liver.

Transplant does not include any Investigational or Experimental services.].

**TREATMENT** means consultation, care or services provided by a Physician including diagnostic measures and taking prescribed drugs and medicines.

**[URGENT CARE FACILITY** means a free-standing facility that is engaged primarily in providing minor emergency and episodic, medical care. A Physician, a registered nurse and a registered x-ray technician must be in attendance at all times that the facility is open. It must be licensed as an Urgent Care Facility, if required by law.].

**YOU, YOUR** means the insured [Employee] as shown in the Certificate Schedule of Benefits.

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## **ELIGIBILITY AND EFFECTIVE DATE**

### **ELIGIBILITY**

All [Employees] who:

- (1) meet the definition of Actively in Service;
  - (2) qualify as eligible Insureds as defined in the Policyholder's application; and
  - (3) meet the definition of Eligibility as stated on the Schedule,
- are eligible to be insured under the Policy. Evidence of insurability acceptable to Us may be required.

### **[ELIGIBILITY OF DEPENDENTS]**

An eligible [Employee] may enroll his or her [Spouse [or Domestic Partner]] [and/or] [Dependent Child(ren)]. [An individual cannot be covered as [an Employee] and a [Spouse [or Domestic Partner]] at the same time.] [A Dependent Child may only be covered by one [Employee] if both parents are [Employees] and covered separately under the Policy.]]

### **EFFECTIVE DATE**

The Effective Date for [an Employee] is as follows:

- (1) [An Employee's] coverage will be effective on the date shown on the Certificate Schedule provided the [Employee] is then Actively in Service.
- (2) If [an Employee] is not Actively in Service on the date coverage would otherwise become effective, the Effective Date of his coverage will be the date on which such [Employee] is first thereafter Actively in Service.

[The Effective Date for a Late Entrant will be the next anniversary date shown on the Policy Schedule of Benefits.]

[The Effective Date for a [Spouse [or Domestic Partner]] [and/or] [Dependent Child(ren)] is the date shown on the Certificate Schedule subject to the following:

- (1) The date the [Employee's] coverage is effective for a [Spouse [or Domestic Partner]] [and/or] [Dependent Child(ren)] who [is] [are] eligible on that date; for whom coverage is applied for and premium paid; and who [is] [are] not hospital confined.
- (2) At 12:00 a.m. Standard Time, on the day a [Spouse [or Domestic Partner]] [and/or] [Dependent Child(ren)] [is] [are] no longer hospital confined if the [Spouse [or Domestic Partner]] [and/or] [Dependent Child(ren)] [was] [were] otherwise eligible for coverage on the date the [Employee's] coverage became effective.
- (3) For a dependent eligible on or first acquired after Your Effective Date, the Effective Date will be:
  - [(a) For newborn children and newborn adopted children, the Effective Date is the moment of birth. We must receive notification of birth within 90 days after the date of birth for coverage to continue for the newborn beyond the 90 day period. For newborn adopted children, a petition for adoption must be filed within 60 days of



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- birth. Coverage ends for newborn adopted children if the petition for adoption is dismissed or denied.】
- [(b) For other adopted children, the Effective Date is the date a petition for adoption is filed. We must receive notification of newly adopted children within 60 days from the date the petition for adoption is filed for coverage to continue for the adopted children beyond the 60 day period. Coverage ends for adopted children if the petition for adoption is dismissed or denied.】
- [(c) For foster children, the Effective Date is the date of placement in Your home. We must receive notification of foster children within 31 days from the date of placement into Your home for coverage to continue for the foster children beyond the 31 day period.】
- [(d) For a 【Spouse 【or Domestic Partner】】 or any other dependent eligible on or first acquired after the 【Employee's】 Effective Date, the Effective Date is the date We assign after approving that application for his or her coverage.】

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## **BENEFITS**

The following benefits are subject to the terms, conditions, limitations, exclusions, and maximums specified in the Policy. Benefits are not payable for expenses incurred or confinement that begins prior to the Certificate Effective Date.

### **HOSPITAL CONFINEMENT BENEFIT**

We will pay the benefit shown on the Schedule of Benefits if an Insured is Confined and receiving Treatment in a Hospital due to Sickness or Injury. Confinement in a Hospital must begin while this coverage is in force. [For Late Entrants, Confinement must begin and charges must be incurred after coverage has been in force for the number of days listed as the Waiting Period shown on the Schedule of Benefits.]

The total benefits payable will not exceed the Hospital Confinement Benefit amount shown on the Schedule of Benefits for each day the Insured is Confined, up to the maximum number of days per [Confinement and the maximum number of days per] Calendar Year shown on the Schedule.

The Hospital Confinement Benefit will not be paid for:

- (1) Emergency Room Treatment;
- (2) outpatient Treatment; or
- (3) Confinement of less than 23 hours in an observation unit.

[We will not pay the Hospital Confinement Benefit and the [Hospital Intensive Care Unit Confinement Benefit] [,] [Skilled Nursing Care Facility Benefit] [or] [Mental Illness and Substance Abuse Benefit] concurrently.]

### **[HOSPITAL INTENSIVE CARE UNIT BENEFIT**

We will pay the benefit shown on the Schedule of Benefits if any Insured incurs charges for and is Confined to a Hospital Intensive Care Unit due to Sickness or Injury. Confinement in a Hospital Intensive Care Unit must begin while this coverage is in force. [For Late Entrants, Confinement must begin and charges must be incurred after coverage has been in force for the number of days listed as the Waiting Period shown on the Schedule of Benefits.]

The total benefits payable will not exceed the Hospital Intensive Care Unit Benefit amount shown on the Schedule of Benefits for each day the Insured is Confined, up to the maximum number of days per Calendar Year shown on the Schedule.

If an Insured is Confined to a Hospital care unit that does not meet this Certificate's definition of a Hospital Intensive Care Unit, We will pay the Hospital Confinement Benefit shown on the Schedule of Benefits for each day the Insured is Confined, up to the maximum number of days per Calendar Year for the Hospital Confinement Benefit shown on the Schedule of Benefits.

We will not pay the Hospital Intensive Care Unit Confinement Benefit and the Hospital Confinement Benefit [,] [Mental Illness and Substance Abuse Benefit] [or] [Skilled Nursing Care Benefit] concurrently.

If the maximum number of days shown on the Schedule of Benefits have been paid for the Hospital Confinement Intensive Care Unit Benefit, any additional days of Hospital Intensive Care Unit confinement will be paid under the Hospital Confinement Benefit, provided that We will not pay more than the maximum number of days [per Confinement or] per Calendar Year for

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the Hospital Confinement Benefit shown on the Schedule of Benefits.]

### **[SURGICAL BENEFIT**

We will pay the benefit shown on the Schedule of Benefits when an Insured incurs charges for Inpatient Surgery or Outpatient Surgery due to Sickness or Injury. [For Late Entrants, charges must be incurred after coverage has been in force for the number of days listed as the Waiting Period shown on the Schedule of Benefits.]

The procedure must be performed by a Physician using anesthesia administered by a licensed anesthesiologist or certified registered nurse anesthetist (CRNA).

Benefits will be paid once per covered surgical procedure. If an Insured has more than one surgical procedure performed on the same day, We will pay only one Surgical Benefit, even if caused by more than one Injury or Sickness. We will pay the benefit that has the highest dollar value. We will not pay the Inpatient Surgery Benefit and the Outpatient Surgery Benefit concurrently.

The total benefits payable per Calendar Year will not exceed the maximum number of surgeries shown on the Schedule of Benefits per Calendar Year.

### **[ANESTHESIA BENEFIT**

We will pay the benefit shown on the Schedule of Benefits if an Insured incurs charges for and receives general anesthesia administered by an anesthesiologist or a Certified Registered Nurse Anesthetist (CRNA) during a surgical procedure for which a benefit is payable under the Policy. [For Late Entrants, charges must be incurred after coverage has been in force for the number of days listed as the Waiting Period shown on the Schedule of Benefits.]

If more than one surgical procedure is performed at the same time, We will pay only one Anesthesia Benefit. The Anesthesia Benefit will be paid for the surgical procedure performed that has the highest dollar value.

The Anesthesia Benefit will be paid only if a Surgical Benefit is also paid.

The total benefits payable per Calendar Year will not exceed the maximum shown on the Schedule of Benefits per Calendar Year.]

### **[PHYSICIAN OFFICE/URGENT CARE FACILITY VISIT INDEMNITY BENEFIT**

We will pay the benefit shown on the Schedule of Benefits when an Insured incurs charges for and requires services rendered by a Physician at a Physician's office or Urgent Care Facility due to Sickness or Injury. [For Late Entrants, charges must be incurred after coverage has been in force for the number of days listed as the Waiting Period shown on the Schedule of Benefits.]

The Physician Office/Urgent Care Facility Visit Indemnity Benefit is not payable for services rendered by a Physician while an Insured is confined to a Hospital or receiving Treatment in an Emergency Room.

The total benefits payable for each visit will not exceed the Physician Office/Urgent Care Facility Visit Indemnity Benefit amount shown on the Schedule of Benefits, up to the maximum number of visits per Calendar Year shown on the Schedule.

[We will not pay the Physician Office/Urgent Care Facility Visit Indemnity Benefit and [the

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Preventive Care Visit Benefit] [or] [the Emergency Room Benefit] concurrently.]]

### **[EMERGENCY ROOM BENEFIT**

We will pay the benefit shown on the Schedule of Benefits when an Insured incurs charges for and receives Treatment rendered in an Emergency Room due to Sickness or Injury. Treatment for an Injury must be received within [72] hours of the Accident causing such Injury.

The total benefits payable for each visit will not exceed the Emergency Room Benefit amount shown on the Schedule of Benefits, up to the maximum number of visits per Calendar Year shown on the Schedule.

[We will not pay the Emergency Room Benefit and [the Physician Office/Urgent Care Facility Visit Indemnity Benefit] [or] [the Preventive Care Visit Benefit] concurrently.]]

### **[X-RAY AND LABORATORY TESTING BENEFIT**

We will pay the benefit shown on the Schedule of Benefits if an Insured incurs charges for and undergoes any type of X-ray or laboratory testing that is ordered by a Physician. [For Late Entrants, the charges must be incurred after coverage has been in force for the number of days listed as the Waiting Period shown on the Schedule of Benefits.]

The service must be performed:

- (1) while the coverage is in force; and
- (2) in a Hospital, Physician's office, Urgent Care Facility, Emergency Room, or other appropriately licensed stand-alone healthcare facility that provides diagnostic services.

The total benefits payable per day will not exceed the X-Ray and Laboratory Testing Benefit amounts shown on the Schedule of Benefits, up to the maximum amounts shown on the Schedule.

This benefit is not payable for X-rays or laboratory tests received while an Insured is Confined to a Hospital.]

### **[MAJOR DIAGNOSTIC TESTING BENEFIT**

We will pay the benefit shown on the Schedule of Benefits if an Insured incurs charges for and undergoes a major diagnostic test that is ordered by a Physician. For purposes of this benefit, major diagnostic test is an MRI (magnetic resonance imaging), a CT (computed tomography) scan, or a PET (positron emission tomography) scan. [For Late Entrants, the charges must be incurred after coverage has been in force for the number of days listed as the Waiting Period shown on the Schedule of Benefits.]

The procedure must be performed:

- (1) while the coverage is in force; and
- (2) in a Hospital, Physician's office, Urgent Care Facility, Emergency Room, or other appropriately licensed stand-alone healthcare facility that provides diagnostic services.

The total benefits payable per procedure will not exceed the Major Diagnostic Testing Benefit amount shown on the Schedule of Benefits, up to the maximum number of tests per Calendar Year shown on the Schedule. ]

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### **[PREVENTIVE CARE VISIT BENEFIT**

We will pay the benefit shown on the Schedule of Benefits if an Insured incurs charges for a Physician's office visit for preventive care. [For Late Entrants, the charges must be incurred after coverage has been in force for the number of days listed as the Waiting Period shown on the Schedule of Benefits.] For purposes of this Certificate, preventive care is defined as:

- (1) immunizations;
- (2) well baby care, including immunizations;
- (3) prostate cancer screenings;
- (4) preventive Physician office visits;
- (5) colorectal screenings;
- (6) pap smears;
- (7) mammograms; and
- (8) routine physical exams.

The total benefits payable for each visit will not exceed the Preventive Care Visit Benefit amount shown on the Schedule of Benefits, up to the maximum number of visits per Calendar Year shown on the Schedule

[We will not pay the Preventive Care Visit Benefit and [the Physician Office/Urgent Care Facility Visit Indemnity Benefit] [or] [the Emergency Room Benefit] concurrently.]]

### **[GROUND AMBULANCE BENEFIT**

We will pay the benefit shown on the Schedule of Benefits if an Insured incurs charges for and requires transportation by a licensed professional ground ambulance company to or from a Hospital or between medical facilities, where Treatment is received as the result of a Sickness or Injury.

The total benefits payable per trip will not exceed the Ground Ambulance benefit amount shown on the Schedule of Benefits, up to the maximum number of trips per Calendar Year shown on the Schedules.]

### **[AIR AMBULANCE BENEFIT**

We will pay the benefit shown on the Schedule of Benefits if an Insured incurs charges for and requires transportation by a licensed professional air ambulance company to or from a Hospital or between medical facilities, where Treatment is received as the result of a Sickness or Injury.

The total benefits payable per trip will not exceed the Air Ambulance Benefit amount shown on the Schedule of Benefits, up to the maximum number of trips per Calendar Year shown on the Schedule.]

### **[SKILLED NURSING CARE FACILITY BENEFIT**

We will pay the benefit shown on the Schedule of Benefits for each day an Insured is Confined to and incurs charges for Confinement in a Skilled Nursing Care Facility due to Sickness or Injury. Confinement must begin while the coverage is in force and immediately following a Hospital Confinement of at least 3 days. [For Late Entrants, Confinement must begin and the

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charges must be incurred after coverage has been in force for the number of days listed as the Waiting Period shown on the Schedule of Benefits.]

The total benefits payable will not exceed the Skilled Nursing Care Facility Benefit amount shown on the Schedule of Benefits, up to the maximum number of days per Calendar Year shown on the Schedule.

We will not pay the Skilled Nursing Care Facility Benefit for:

- (1) Emergency Room Treatment;
- (2) outpatient Treatment; or
- (3) Confinement of less than 23 hours in an Observation Unit.

We will not pay the Skilled Nursing Care Facility Benefit and the Hospital Confinement Benefit [,] [Hospital Intensive Care Unit Confinement Benefit] [or] [Mental Illness and Substance Abuse Benefit] concurrently.]

### **[MENTAL ILLNESS AND SUBSTANCE ABUSE CONFINEMENT BENEFIT**

We will pay the benefit shown on the Schedule of Benefits if an Insured is Confined and receiving Treatment for Mental Illness or Substance Abuse in a Mental Illness/Substance Abuse Treatment Facility. Confinement in a Mental Illness/Substance Abuse Treatment Facility must begin while this coverage is in force. [For Late Entrants, Confinement must begin and the charges must be incurred after coverage has been in force for the number of days listed as the Waiting Period shown on the Schedule of Benefits.]

We will not pay the Mental Illness and Substance Abuse Benefit for:

- (1) any Treatment provided in a Hospital, an Emergency Room, or an Observation Unit; or
- (2) Outpatient Treatment.

The total benefits payable will not exceed the Mental Illness and Substance Abuse Benefit amount shown on the Schedule of Benefits, up to the maximum number of days per Calendar Year shown on the Schedule.

We will not pay the Mental Illness and Substance Abuse Benefit and the Hospital Confinement Benefit[, ] [Hospital Intensive Care Unit Confinement Benefit] [or] [Skilled Nursing Care Benefit] concurrently.]

### **[HOSPITAL ADMISSION — LUMP SUM BENEFIT**

We will pay the benefit shown on the Schedule of Benefits if an Insured is admitted and Confined to a Hospital due to Sickness or Injury. [For Late Entrants, Confinement must begin after coverage has been in force for the number of days listed as the Waiting Period shown on the Schedule of Benefits.]

The total benefits payable will not exceed the Hospital Admission Lump Sum Benefit amount shown on the Schedule of Benefits, up to the maximum number of admissions per Calendar Year shown on the Schedule.

[We will not pay the Hospital Admission Lump Sum Benefit and the Mental Illness and Substance Abuse Lump Sum Benefit concurrently.]]

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#### **[MENTAL ILLNESS AND SUBSTANCE ABUSE ADMISSION– LUMP SUM BENEFIT**

We will pay the benefit shown on the Schedule of Benefits if an Insured is admitted to, Confined and receiving inpatient Treatment in a Mental Illness/Substance Abuse Treatment Facility. [For Late Entrants, Confinement must begin after coverage has been in force for the number of days listed as the Waiting Period shown on the Schedule of Benefits.]

The total benefits payable will not exceed the Mental Illness and Substance Abuse Lump Sum Benefit shown on the Schedule of Benefits, up to the maximum number of admissions per Calendar Year shown on the Schedule.

[We will not pay the Mental Illness and Substance Abuse Admission Lump Sum Benefit and the Hospital Admission Lump Sum Benefit concurrently.]]

#### **[TRANSPLANT TRAVEL LUMP SUM BENEFIT**

We will pay the benefit shown on the Schedule of Benefits if an Insured travels more than 100 miles from his or her primary residence for purposes of obtaining a Transplant. [For Late Entrants, the Transplant must occur after coverage has been in force for the number of days listed as the Waiting Period shown on the Schedule of Benefits.]

The total benefits payable will not exceed the Transplant Travel Lump Sum Benefit amount shown on the Schedule of Benefits, up to the maximum number of occurrences per Calendar Year shown on the Schedule.]

#### **[PRESCRIPTION DRUG INDEMNITY BENEFIT**

We will pay the benefit shown on the Schedule of Benefits if the Insured incurs charges for a Prescription Drug dispensed by a Pharmacy. The Prescription must be dispensed on or after the Certificate Effective Date. [For Late Entrants, the Prescription Drug must be dispensed after coverage has been in force for the number of days listed as the Waiting Period shown on the Schedule of Benefits.]

The total benefits payable will not exceed the Prescription Drug Indemnity Benefit amount shown on the Schedule of Benefits, multiplied by the maximum number of Prescriptions per Calendar Year shown on the Schedule.]

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## **[LIMITATIONS]**

### **[PRE-EXISTING CONDITION LIMITATION]**

We will not pay benefits for charges, services, or supplies incurred as a result of a Pre-Existing Condition within 12 months of an Insured's Effective Date.

[If the Insured was covered under a prior carrier's group limited medical indemnity policy at the date of change in coverage to a group limited medical indemnity policy provided by Us and was not subject to a Pre-Existing Condition limitation under the prior carrier's policy, there shall be no Pre-Existing Condition limitation under Our Policy. However, if the Insured was subject to a Pre-Existing Condition limitation under the prior carrier's policy, credit will be given toward satisfaction of the Pre-Existing Condition limitation of Our Policy for that period of time that the Insured was continuously covered under the prior carrier's policy.]

A claim for benefits diagnosed after 12 months from an Insured's Effective Date will not be reduced or denied on the grounds that it is caused by a Pre-Existing Condition.]

### **[WAITING PERIOD FOR LATE ENTRANTS]**

For all benefits except [the Emergency Room Benefit][,] [and] [the Ground Ambulance Benefit] [and] [the Air Ambulance Benefit],] no benefits are payable for a Late Entrant until the coverage has been in force the number of days listed as the Waiting Period shown on the Schedule of Benefits.

Late Entrants will be eligible for all benefits listed on the Schedule of Benefits for charges, services, or supplies incurred after the Waiting Period.]]



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## **EXCLUSIONS**

The Policy does not provide any benefits for the following:

- (1) services or supplies that are not Medically Necessary, even if prescribed, recommended, or approved by a Physician;
- (2) intentionally self-inflicted Injury or suicide attempt while sane or insane;
- (3) voluntary abortion except, with respect to You or the Your Dependent Spouse:
  - (a) where You or Your Dependent Spouse's life would be endangered if the fetus were carried to term, or
  - (b) where medical complications have arisen from abortion;
- (4) pregnancy of a Dependent Child, except Complications of Pregnancy;
- (5) procedures, services, or drugs related to artificial insemination, in vitro or test tube fertilization, including any related testing;
- (6) procedures, services, or drugs for exogenous obesity or weight control;
- (7) services for purchase and fitting of hearing aids;
- (8) services and supplies related to smoking cessation;
- (9) charges for food, food supplements, or vitamins;
- (10) charges related to marriage, family, child, career, social adjustment, pastoral, or financial counseling;
- (11) services related to therapy, supplies, or counseling for sexual dysfunction or inadequacies that do not have a physiological or organic basis;
- (12) procedures, services, or drugs for the reversal of a tubal ligation or a vasectomy;
- (13) charges for rental or purchase of durable medical equipment;
- (14) Injury or Sickness resulting from
  - (a) an act of war, declared or undeclared;
  - (b) active participation in a riot, civil commotion, civil disobedience or unlawful assembly;
  - (c) committing a felony;
  - (d) participation in a contest of speed in a power driven vehicles, parachuting, parasailing, bungee jumping, scuba diving, stunt driving, rock climbing, flying ultra-light aircraft, skydiving, hang gliding or any hazardous sports activity for exhibition purposes;
  - (e) air travel, except as a fare-paying passenger on a commercial airline;
  - (f) the Insured being intoxicated or under the influence of any narcotic unless the narcotic is administered on the advice of a Physician;
- (15) procedures associated with sex changes;
- (16) elective surgery (with the exception of organ donation) or cosmetic surgery, including any expenses related to Hospital Confinement, unless due to a covered Injury or

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Sickness;

- (17) any Treatment, drugs, or surgery considered Investigational or Experimental by the American Medical Association, the Health Care Finance Administration, or the Federal Drug Administration;
- (18) any Injury or Sickness occurring while the Insured is in the service of the Armed Forces of any country. Orders to active military service for training purposes of two months or less will not constitute service in the Armed Forces. When the Insured provides Us notice of entering the Armed Forces, We will return to the Insured pro rata any premium paid, less any benefits paid, for any period during which the Insured is in such service;
- (19) an Injury or Sickness for which the Insured receives benefits under Workers' Compensation or similar coverage or for which the Insured would receive benefits under Workers' Compensation if the employer had enrolled the Insured for such coverage and the Insured and employer had cooperated in filing a claim under that coverage;
- (20) dental or vision services, including but not limited to treatment, surgery, extractions or x-rays, unless:
  - (a) resulting from an Injury occurring while the Insured's coverage is in force and if performed within 12 months of the date of such Injury; or
  - (b) due to congenital disease or anomaly of a newborn Dependent Child;
- (21) any charges incurred prior to the Effective Date or in excess of the Calendar Year Maximums listed on the Schedule of Benefits[;][or]
- [(22)] [routine examinations, such as health exams, periodic check-ups or routine physicals][; or]
- [(23)] routine newborn care and nursery charges, including charges incurred for routine Hospital Confinement].

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## **TERMINATION OF INSURANCE**

Your coverage will terminate on the earliest of:

- (1) the date the Policy is terminated;
- (2) the end of the last period for which premium has been paid;
- (3) on the date You cease to be Actively in Service as defined in the Policy [, except as provided for under the Leave of Absence provision in this Section];
- (4) on the date You no longer meet the requirements for eligibility; [or]
- [(5) the last day of the month following the date You attain age 65; [or]]
- [(6) the last day of the month You become eligible for Medicare; or]
- [(7)] on the date all available benefits under the Certificate have been paid.

[Coverage for an insured [Spouse [or Domestic Partner]] [and/or] [Dependent Child(ren)] will terminate the earliest of:

- (1) the date the Policy is terminated;
- (2) the date Your coverage is terminated;
- (3) the end of the last period for which premium has been paid;
- (4) the premium due date following the date the [Spouse] [or Domestic Partner] [and/or Dependent Child(ren)] ceases to meet the definition of [Spouse] [or Domestic Partner] [and/or Dependent Child(ren)];
- (5) the premium due date following the date the We receive Your written request to terminate coverage for Your [Spouse] [or Domestic Partner] [and/or Dependent Child(ren)]
- [(6)with respect to Your [Spouse] [or Domestic Partner], the last day of the month following the date Your [Spouse] [or Domestic Partner] attains age 65[;] [or]]
- [(7)with respect to Your [Spouse] [or Domestic Partner], the last day of the month Your [Spouse] [or Domestic Partner] becomes eligible for Medicare[.]]

Termination of Insurance on any Insured shall be without prejudice to his rights as regarding any claim arising prior thereto.

We or the Policyholder may end the Policy on any date by written notice mailed or delivered. If We end the Policy for a reason other than non-payment of premium, the termination becomes effective on the later of the date stated in the notice or 45 days after We mail or deliver the written notice of such termination. If any portion of the premium due is not paid, the Policy will terminate in accordance with the Grace Period provision. If the Policyholder ends the Policy, the termination becomes effective on the later of the date stated in the notice or the date We receive the written notice of such termination. If the Policy is ended, We will promptly refund any unearned premium, or the Policyholder will promptly pay any earned premium which has not yet been paid. Any unearned and earned premium will be calculated on a pro-rata basis.

Termination of the Policy will be without prejudice to the rights of any Insured as respects any claim arising during the period the Policy is in force.

The Policyholder has the sole responsibility to notify You of such termination.

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**[COBRA CONTINUATION OF COVERAGE]**

The coverage may be continued in accordance with the Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA). It is the responsibility of the Policyholder to comply with COBRA.]

**[LEAVE OF ABSENCE]**

Subject to the continued payment of Premiums due, Your coverage may be continued for up to [one] year(s) during a Leave of Absence approved in writing by Your employer.]

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## **PREMIUM CALCULATION AND PAYMENT**

Premiums will be computed in accordance with the rates in effect on the Premium due date. [The portion of the premium that You are responsible for contributing is shown on the Certificate Schedule of Benefits.] The total premium for the Policy is the sum of premiums for all Insureds.

The first premium is due on the Effective Date of the Policy. Premiums after the first are due at the end of the period for which the preceding premium was paid. [The due date for any additional premium for a dependent eligible on or first acquired after Your Effective Date will be as follows:

- (1) for newborn children, within 90 days of birth;
- (2) for adopted children, within 60 days of the date the petition for adoption is filed; and
- (3) for foster children and all other dependents, 31 days after coverage for that dependent is required to begin.]

The Policyholder is responsible for paying all premiums. However, the premiums may be paid by any other party according to a mutual agreement among the other party, the Policyholder and Us.

Premiums may be paid to:

- (1) Our Home Office; or
- (2) Our authorized agent.

Payment of premium for a period before it is due will not guarantee that the coverage will remain in that effect for that period.

The rates may be changed once the Rate Guarantee Period listed on the Schedule has elapsed after the Effective Date of the Policy or on any Premium due date after that. Any subsequent rate changes will not be made more frequently than once every [6 months]. No such change in premium will be made unless [30 days] prior notice is given to the Policyholder.

The rates may change prior to the time frames outlined above, however, for reasons that affect the insured risk, which include:

- (4) a change in benefits;
- (5) a new law or change in any existing law that affects the Policy; or
- (6) a material change in the composition or size of the Insureds covered under the Policy.

### **GRACE PERIOD**

A grace period of 31 days will be allowed for each premium payment after the first premium. Coverage will remain in effect during the grace period. The coverage under the Policy will terminate at the end of the grace period if the premium has not been paid. The Policyholder must still pay all unpaid premium. This includes the premium due for the grace period. No grace period is provided after the Policyholder has given notice of intent to end the Policy.

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## **CLAIM PROVISIONS**

**NOTICE OF CLAIM:** Written notice of claim must be given to Us at the address listed on the first page of the Policy, or to Our designee. Such notice should be made within 30 days after any claim covered by the Policy. If it is not reasonably possible to give notice within that time, the claim may not be denied or reduced due to the delay.

**CLAIM FORMS:** Claim forms should be used for filing proof of loss. They will be sent to the Insured within 15 days of receipt of notice of claim. If claim forms are not supplied within 15 days, the Insured can give proof as follows:

- (1) in writing;
- (2) setting forth the nature and extent of the claim, including the Physician's diagnosis; and
- (3) within the time stated in the Proof of Loss Provision.

**PROOF OF LOSS:** Proof of loss must be given to Us within 180 days after the loss. Late proof may be accepted if:

- (1) it was not reasonably possible to give proof in that time; and
- (2) the proof is given within one year from the date proof is otherwise required. This one year limit will not apply in the absence of legal capacity.

**TIME OF PAYMENT OF CLAIMS:** Benefits payable under the Policy will be paid immediately upon receipt of acceptable Proof of Loss.

**PAYMENT OF CLAIMS:** All benefits will be payable in a lump sum to You unless assigned by operation of law. Any accrued benefit unpaid at Your death may be paid to Your estate.

**PHYSICAL EXAMINATION:** We have the right to have the Insured examined as often as is reasonably necessary while a claim is pending. We will pay for such examination.

**REIMBURSEMENT OF OVERPAYMENT:** The Insured will be responsible for reimbursing Us for any payment of benefits in excess of the Calendar Year Maximums listed on the Schedule of Benefits. The Insured will also be responsible for reimbursing Us for any overpayment resulting from fraud or an error in claim processing made by the Insured, Us or the plan administrator.

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## **GENERAL PROVISIONS**

**ENTIRE CONTRACT-CHANGES:** The entire contract shall include:

- (1) the Policy;
- (2) the application of the Policyholder;
- (3) the Certificates;
- (4) Your application, if any, attached to the Certificate; and
- (5) all riders, endorsements and amendments.

The terms of the Policy can be changed only by rider, endorsement or amendment signed by one of Our executive officers. Any amendment that reduces or eliminates coverage must be requested in writing or signed by the Policyholder. No agent may change the Policy or waive its provisions.

**CERTIFICATES:** An individual Certificate will be issued for delivery to You . The Certificate will describe:

- (1) the benefits under the Policy;
- (2) to whom benefits will be paid; and
- (3) the limitations and terms of the Policy.

If more than one Certificate is issued under the Policy to You , only the last one issued will be in effect.

If there is a conflict between the Policy and the Certificate, the Policy will control.

**ADDITIONAL COVERAGE WITH US:** If an Insured is covered by more than one of Our Limited Medical Indemnity Policies or Certificates, We will only pay benefits for covered charges under one Limited Medical Indemnity Certificate. An Insured may choose which Certificate they wish to keep in force by sending Us written notice of their choice. We will return the premiums paid for any of its other Limited Medical Indemnity Certificates during the period there was more than one Policy or Certificate in force.

**LEGAL ACTION:** No legal action may be brought to recover under the Policy:

- (1) within 60 days after written Proof of Loss has been furnished as required; or
- (2) more than 3 years from the time written Proof of Loss is required to be furnished.

**TIME LIMIT ON CERTAIN DEFENSES:** Except in the case of fraud, after two years from the Effective Date of the Insured's coverage, no statements made in the application can be used to:

- (1) void the coverage; or
- (2) deny a claim for loss incurred commencing after the expiration of such two-year period.

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**INCONTESTABILITY:** All statements made by the Policyholder to obtain the Policy are considered representations and not warranties.

No statement will be used to deny or reduce benefits or be used as a defense to a claim, or to deny the validity of the Policy unless a copy of the instrument containing the statement is, or has been, furnished to the Policyholder. After two years from the Effective Date, no such statement will cause this Policy to be contested except for fraud.

All statements made by an Insured are considered representations and not warranties. No statement will be used to deny or reduce benefits or be used as a defense to a claim unless a copy of the instrument containing the statement is, or has been, furnished to the Insured. In the event of an Insured's death or incapacity, his or her applicable representative shall be given a copy.

After two years from an Insured's Effective Date of coverage, or from the Effective Date of increased benefits, no such statement will cause the coverage or the increased benefits to be contested except for fraud.

**CLERICAL ERROR:** A clerical error by the Policyholder will not end coverage or continue terminated coverage. In the event of such clerical error, a premium adjustment will be made.

**MISSTATEMENT OF AGE:** If an age has been misstated on the application, the benefits will be those the premium paid would have purchased at the correct age.

**CONFORMITY WITH STATE LAWS:** A provision of the Policy that conflicts with a law of the state of issue is hereby changed to meet the minimum standards of that law.

**NEW ENTRANTS:** New [Employees] of the Policyholder [and their dependents] will be added to the applicable class originally insured under the Policy provided they apply for such coverage and meet the requirements for eligibility as stated in the Policy.

**IMPORTANT NOTICE:** For questions regarding this Policy, please contact Us at the administrative office listed on the first page of this Certificate. We may also be contacted by telephone at [1-866-623-2953].

If discussions with Us have failed to produce a satisfactory resolution to a problem, the Arkansas Department of Insurance may be contacted at:

Arkansas Department of Insurance  
Consumer Services Division  
1200 West Third Street  
Little Rock, Arkansas 72201-1904

Telephone: 1-800-852-5494



<b>POLICYHOLDER NAME:</b> [XYZ Company, Inc.]	
<b>POLICYHOLDER ADDRESS:</b> [123 Main Street Small Town, FL 33321]	
<b>INSURER NAME:</b> Beazley Insurance Company, Inc.	
<b>INSURER ADDRESS: ADMINISTRATIVE OFFICE</b> [30 Batterson Park Road Farmington, CT 06032]	
<b>INSURER ADDRESS: NOTICE OF CLAIM</b> [30 Batterson Park Road Farmington, CT 06032]	
<b>POLICY NUMBER:</b> [1234567]	<b>EFFECTIVE DATE:</b> [July 1, 2011]
<b>DATE OF ISSUE:</b> [July 1, 2011]	<b>ANNIVERSARY DATE:</b> [July 1]

In consideration of the Policyholder's application and the timely payment of premiums, Beazley Insurance Company, Inc. (herein called the Company) agrees to pay the benefits of this Policy, subject to all of its terms and conditions.

This Policy is executed by Beazley Insurance Company, Inc. as of its Date of Issue. This Policy will take effect on the Effective Date shown above, 12:01 a.m. Standard Time at the address of the Policyholder.

[ ]

*Secretary*

[ ]

*President*

**GROUP LIMITED MEDICAL INDEMNITY POLICY**

**THIS IS A LIMITED BENEFIT POLICY. BENEFITS PROVIDED ARE NOT INTENDED TO COVER ALL MEDICAL EXPENSES.**

**The Policy is a contract between the Policyholder and the Company.**

**This Policy is renewable at the option of the Company. Please read the Termination of Insurance provision of this Policy.**

**READ THE POLICY CAREFULLY.**

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## **SCHEDULE OF BENEFITS**

**ELIGIBILITY:** [ALL [PERMANENT] [EMPLOYEES,] [BETWEEN THE AGES OF 18 AND 69,]  
[WORKING [25] HOURS OR MORE PER WEEK AND] ACTIVELY IN  
SERVICE [AND [SPOUSES [OR DOMESTIC PARTNERS]] [AND/OR]  
[DEPENDENT CHILD(REN)] OF ELIGIBLE [EMPLOYEES]]]

**[PRE-EXISTING CONDITION PERIOD:** [3 Months]]

**[WAITING PERIOD FOR LATE ENTRANTS** [30][60][90] Days]

**RATE GUARANTEE PERIOD** [3 Years]

**[[INITIAL] [MONTHLY] PREMIUM** [\$9.99]]

### **BENEFIT(S)**

### **BENEFIT AMOUNTS/MAXIMUMS**

#### **HOSPITAL CONFINEMENT**

[Benefit Amount

[\$100 to \$2,000] per day]

[Days 1-5

[\$100 to \$2,000] per day

Days 6-[15][30][60]

[\$50 to \$1,000] per day]

[Per Confinement Maximum

[15, 30, 60] days per Insured]

Calendar Year Maximum

[15, 30, 60] days per Insured

#### **[HOSPITAL INTENSIVE CARE UNIT**

Benefit Amount

[\$100 to \$3,000] per day

Calendar Year Maximum

[15, 30] days per Insured]

#### **[SURGICAL**

Inpatient Surgery Benefit Amount

[\$100 to \$1000] Per surgery

Outpatient Surgery Benefit Amount

[\$50 to \$375] Per surgery

Calendar Year Maximum for Inpatient Surgery

[1-2] surger[y][ies]per Insured

Calendar Year Maximum for Outpatient Surgery

[1-2] surger[y][ies] per Insured]

#### **[ANESTHESIA**

Benefit Amount

[20% of the Surgical Benefit paid][25 to  
\$200] per surgery

Calendar Year Maximum

[\$100, \$200] per Insured]

#### **[PHYSICIAN OFFICE/URGENT CARE FACILITY VISIT INDEMNITY**

Benefit Amount

[\$15 to \$125] per visit

Calendar Year Maximum

[3 to 6] visits per Insured]

#### **[EMERGENCY ROOM**

Benefit Amount per Sickness

[\$50 to \$150] per visit

Benefit Amount per Injury

[\$100 to \$300] per visit

Calendar Year Maximum

[1 to 3] visit[s] per Insured]

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**[X-RAY AND LABORATORY TESTING]**

Benefit Amount for X-Ray	[\$50 to \$250] per day
Benefit Amount for Laboratory Test	[\$25 to \$100] per day
Calendar Year Maximum for X-Ray	[3 to 5] days per Insured
Calendar Year Maximum for Laboratory Test	[3 to 5] days per Insured]

**[MAJOR DIAGNOSTIC TESTING]**

Benefit Amount	[\$250 to \$500] per test
Calendar Year Maximum	[1 to 2] test[s] per Insured]

**[PREVENTIVE CARE VISIT]**

Benefit Amount	[\$25 to \$75] per visit
Calendar Year Maximum	[1, 2] visit[s] per Insured]

**[GROUND AMBULANCE]**

Benefit Amount	[\$50, \$100] per trip
Calendar Year Maximum	[1, 2] trip[s] per Insured]

**[AIR AMBULANCE]**

Benefit Amount	[\$150, \$300] per trip
Calendar Year Maximum	1 trip per Insured]

**[SKILLED NURSING CARE FACILITY]**

Benefit Amount	[\$100 to \$250] per day
Calendar Year Maximum	[15, 30] days per Insured]

**[MENTAL ILLNESS and SUBSTANCE ABUSE CONFINEMENT]**

Benefit Amount	[\$100 to \$250] per day
Calendar Year Maximum	[15, 30] days per Insured]

**[HOSPITAL ADMISSION – LUMP SUM]**

Benefit Amount	[\$100 to \$2,500]
Calendar Year Maximum	[1, 2] admission[s] per Insured]

**[MENTAL ILLNESS AND SUBSTANCE ABUSE ADMISSION – LUMP SUM]**

Benefit Amount	[\$150, \$250]
Calendar Year Maximum	1 admission per Insured]

**[TRANSPLANT TRAVEL LUMP SUM]**

Benefit Amount	[\$250 to \$1,000]
Calendar Year Maximum	1 occurrence per Insured]

**[PRESCRIPTION DRUG INDEMNITY]**

Benefit Amount	[\$5 to \$25] for each Prescription Drug
Calendar Year Maximum	[5 to 12] Prescriptions per Insured]

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## **DEFINITIONS**

**ACCIDENT** means an external event occurring by chance or unintentionally, independent of any Sickness.

**[ACTIVELY IN SERVICE]** means that the [Employee] is:

- (1) performing in the usual manner, all of the Material and Substantial Duties of his or her [employment] for the regularly scheduled number of hours on a scheduled work day; and
- (2) the Material and Substantial Duties are being performed at one of the places of business where the [Employee] normally performs such duties or at some location to which the [Employee's] [employment] sends him or her.

The [Employee] will be said to be Actively in Service on a day that is not a scheduled work day only if he or she would be able to perform in the usual manner all of the regular duties of the [Employee's] [employment] if it were a scheduled work day.]

**[ACTIVELY IN SERVICE]** means that the [Employee] is:

- (1) not an in-patient in a Hospital, skilled nursing facility, rehabilitation hospital, convalescent/personal care facility or receiving outpatient care and/or therapy that affects the [Employee's] ability to perform his regular duties on a scheduled basis;
- (2) not confined at home under the care of a Physician for a treatment of a bodily Injury or Sickness; or
- (3) able to perform [4-6] of the Activities of Daily Living.

**ACTIVITIES OF DAILY LIVING** means the following basic daily tasks necessary to maintain a person's health and safety:

- (1) Bathing: washing oneself by sponge bath; or in either a tub or shower, including the task of getting into or out of the tub or shower.
- (2) Continence: ability to maintain control of bowel and bladder function; or, when not able to maintain control of bowel or bladder function, the ability to perform related personal hygiene (including caring for a catheter or colostomy bag).
- (3) Dressing: putting on and taking off all items of clothing and any required braces, fasteners or artificial limbs.
- (4) Eating: feeding oneself by getting food into the body from a receptacle (such as a plate, cup or table) or by feeding tube or intravenously.
- (5) Toileting: getting to and from the toilet, getting on and off the toilet, and performing related personal hygiene.
- (6) Transferring: moving into or out of a bed, chair or wheelchair.]

**CALENDAR YEAR** means the period beginning on the coverage Effective Date shown on the Certificate Schedule and ending on December 31 of the same year. Thereafter, it is the period beginning on January 1 and ending on December 31 of each following year.

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**CERTIFICATE** means the individual Certificate issued to the insured [Employee]. It describes the Insured's coverage under the Policy.

**COMPLICATIONS OF PREGNANCY** means any of the following:

- (1) a condition that, while affected by pregnancy, is still classified by accepted medical standards as a Sickness apart from the normal bodily changes that accompany pregnancy;
- (2) a non-elective Caesarean section;
- (3) an extra-uterine or ectopic pregnancy; or
- (4) a spontaneous termination of pregnancy during a period of gestation in which a viable birth is not possible.

Complications of Pregnancy do not include: false labor, premature labor, high risk pregnancy or delivery, occasional spotting, Physician-prescribed rest, morning sickness, pre-eclampsia or placenta previa or similar conditions that occur in a difficult pregnancy.

**CONFINED OR CONFINEMENT** means the assignment to a bed as a resident inpatient in a Hospital, or confinement in an Observation Unit within a Hospital for a period of 23 or more continuous hours, on the advice of a Physician.

**[DEPENDENT CHILD(REN)]** means all of [an Employee's] children who are unmarried and less than 26 years of age. However, if any Dependent Child is incapable of self-sustaining employment due to mental retardation or physical handicap and is dependent on a parent(s) for support, such age limit of 26 shall not apply. Proof of such incapacity and dependency must be furnished to the Company.

Child(ren) means the [Employee's] biological children, stepchildren, adopted children, foster children or any child for whom the [Employee] is required by a court or administrative order to provide health coverage.]

**[DOMESTIC PARTNER]** means a person of the [same] [or] [opposite] sex who:

- [(1) is at least 18 years old and legally capable to enter into a contract][:;]
- [(2) is not related by blood to the [Employee] more closely than is permissible for marriage in the state of residence][:;]
- [(3) is not married or legally separated][:;]
- [(4) has not been party to an action or proceeding for divorce or annulment within the last 6 months, or has been a party to such an action or proceeding and at least 6 months have elapsed since the date of the judgment terminating the marriage][:;]
- [(5) is not currently in a Domestic Partnership with a different Domestic Partner and has not been in such a relationship for at least 6 months][:;]
- [(6) occupies the same residence as the [Employee]][:;]
- [(7) has not entered into a domestic partnership relationship that is temporary, social, political, commercial or economic in nature][:;] [and]

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[(8) has entered into a Domestic Partnership Agreement with the [Employee]].]

**[DOMESTIC PARTNERSHIP AGREEMENT]** means an arrangement between the [Employee] and another person of the [same] [or] [opposite] sex that includes 3 of the following:

- (1) joint lease, mortgage or deed;
- (2) joint ownership of a vehicle;
- (3) joint ownership of a checking account or credit account;
- (4) designation of the Domestic Partner as the beneficiary of the [Employee's] life insurance or retirement benefits;
- (5) designation of the Domestic Partner as the beneficiary of the [Employee's] will;
- (6) designation of the Domestic Partner as holding power of attorney for health care; and
- (7) shared household expenses.]

**EFFECTIVE DATE** means the date described in the Policy. The date shown in the insured [Employee's] individual Certificate will be the Effective Date of coverage. The Effective Date will start at 12:01 a.m. at the main place of business of the Policyholder.

**EMERGENCY ROOM** means a facility located on the premises of, or physically part of, a Hospital that provides initial Treatment to patients with Sickness or Injury requiring immediate attention. An Emergency Room is specially equipped and staffed to provide emergency care.

**[EMPLOYEE]** means a person who is Actively in Service as [an employee] of the Policyholder.

**HOSPITAL** means a general acute care facility that meets all of the following:

- (1) it is licensed as a Hospital pursuant to applicable law;
- (2) it is primarily and continuously engaged in providing medical care and treatment to sick and injured persons;
- (3) it is managed under the supervision of a staff of medical doctors;
- (4) it provides 24-hour nursing services by or under the supervision of a graduate registered nurse (R.N.);
- (5) it has medical, diagnostic and treatment facilities, with major surgical facilities on its premises, or available on a prearranged basis;
- (6) it charges for its services. This requirement is waived for Veterans Administration Hospitals and Federal Government Hospitals.

Hospital does not include any of the following:

- (1) a rest or nursing home, home for the aged, or convalescent home;
- (2) a Skilled Nursing Care Facility, rehabilitation center, extended care facility, or assisted living center; or

- 
- (3) a hospice, custodial care facility, or birthing center; or
  - (4) a Mental Illness/Substance Abuse Treatment Facility.

**[HOSPITAL INTENSIVE CARE UNIT]** means a place which:

- (1) is a specifically designated area of the Hospital called an intensive care unit that is restricted to patients who are critically ill or injured and who require intensive, comprehensive observation and care;
- (2) is separate and apart from the surgical recovery room and from rooms, beds and wards customarily used for patient confinement;
- (3) is permanently equipped with special lifesaving equipment for the care of the critically ill or injured;
- (4) is under constant and continuous observation by a specially trained nursing staff assigned exclusively to the intensive care unit on a 24 hour basis; and
- (5) has a Physician assigned to the intensive care unit on a full-time basis.

A Hospital Intensive Care Unit that meets the definition above may include hospital units with the following names:

- (1) Intensive Care Unit;
- (2) Coronary Care Unit;
- (3) Neonatal Intensive Care Unit;
- (4) Pulmonary Care Unit;
- (5) Burn Unit; or
- (6) Transplant Unit.

A Hospital Intensive Care Unit is not any of the following step-down units:

- (1) a progressive care unit;
- (2) an intermediate care unit;
- (3) a private monitored room;
- (4) sub-acute intensive care unit;
- (5) an observation unit; or
- (6) any facility not meeting the definition of a Hospital Intensive Care Unit as defined in this Policy.]

**INJURY** means bodily injury due to an Accident sustained directly and independently of all other Accidents or Sickness. It includes all complications of and all Injuries from the same Accident.

**INPATIENT SURGERY** means a surgical procedure performed on an Insured who is Confined as a registered bed patient in a Hospital or other medical facility.

**INSURED(S)** means the [Employee] [and] [.,] [the Spouse [or Domestic Partner]] of [an Employee]] [and the Dependent Child(ren) of the [Employee]] as indicated in the Certificate Schedule.



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**INVESTIGATIONAL OR EXPERIMENTAL** means care, treatment, services or supplies not approved or recognized for the treatment of Injury or Sickness by any of the following:

- (1) The American Medical Association;
- (2) The United States Surgeon General;
- (3) The United States Department of Public Health;
- (4) The National Institute of Health; or
- (5) Medicare.

Drugs are considered investigational or experimental if they are not:

- (1) commercially available for purchase; and
- (2) approved by the Food and Drug Administration for general use.

**[LATE ENTRANT** means a[n] [Employee] who applies for coverage more than 31 days after becoming eligible.]

**[MATERIAL AND SUBSTANTIAL DUTIES** means the duties that:

- (1) are normally required for the performance of the [Employee's] [employment]; and
- (2) cannot be reasonably omitted or modified.]

**MEDICALLY NECESSARY** means any services, tests, office visits, drugs, or supplies:

- (1) needed to diagnose, treat symptoms or medical conditions, or provide preventative care in a manner generally accepted by the medical community;
- (2) ordered, prescribed, recommended, or approved by a Physician to diagnose or treat symptoms or a specific medical condition;
- (3) not simply for the convenience of Physician or patient; and
- (4) not used for Investigational or Experimental Treatment.

**MENTAL ILLNESS** means any diagnosed condition listed in the Diagnostic and Statistical Manual of Mental Disorders most recent edition, revised (DSM) for which treatment is commonly sought from a psychiatrist or mental health provider. Diagnoses described in the DSM will be considered mental illness, regardless of etiology.

**MENTAL ILLNESS / SUBSTANCE ABUSE TREATMENT FACILITY** means a facility that provides inpatient Treatment for Mental Illness and/or Substance Abuse. Mental Illness/Substance Abuse Treatment Facility is a place which:

- (1) is established and operated pursuant to applicable state laws;
- (2) provides the following basic services:
  - (a) room and board;
  - (b) evaluation and diagnosis;

- 
- (c) counseling; and
  - (3) has or maintains a written, specific, and detailed regimen requiring full-time residence and full-time participation by the Insured;

A Mental Illness/Substance Abuse Treatment Facility does not include a unit or wing within a Hospital, a half-way house, a group home, a recovery farm, or any similar facility.

**OBSERVATION UNIT** means a specified area within a Hospital, apart from the Emergency Room, where a patient can be monitored following Outpatient Surgery or Treatment in the Emergency Room by a Physician, and which:

- (1) is under the direct supervision of a Physician or registered nurse;
- (2) is staffed by nurses assigned specifically to that unit; and
- (3) provides care seven days per week, 24 hours per day.

**OUTPATIENT SURGERY** means a surgical procedure performed on an Insured who is not Confined, but who utilizes a Hospital, ambulatory surgical facility or other similar medical facility for the surgery.

**[PHARMACIST** means an individual operating within the scope of his or her license in the state where so licensed to dispense Prescription Drugs.]

**[PHARMACY** means a retail location [or mail order facility] operating in accordance with the State Board of Pharmacy or other governing body where Prescription Drugs are dispensed by a Pharmacist.]

**PHYSICIAN** means a practitioner of the healing arts who:

- (1) is practicing within the scope of his or her license in the state where so licensed; and
- (2) is not related to the Insured.

**POLICY** means the Policy issued to the Policyholder that covers the Insured.

**POLICYHOLDER** means the employer, association or other organization who holds the Policy.

**[PRE-EXISTING CONDITION** means any sickness, disease, or physical condition for which the Insured has:

- (1) had Treatment; or
  - (2) received a diagnosis or advice from a Physician,
- during the Pre-Existing Condition Period indicated on the Schedule of Benefits, immediately before the Effective Date of Coverage.]

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**[PRESCRIPTION** means a written, electronic, or oral order for a drug, authorized by a Physician. A Prescription may be written to provide a sufficient amount of medication necessary for the duration of the Sickness or an amount sufficient to cover the interval between visits to the prescribing Physician, but it may not be dispensed more than once every [31] days for a 30 day supply from a retail Pharmacy, or once every [91] days for a 90 day supply from a mail-order Pharmacy.]

**[PRESCRIPTION DRUG** means a drug which, under state or federal law, requires a Prescription to dispense. Prescription Drug does not include any of the following:

- (1) all over-the-counter (OTC) products and medications. This includes, but is not limited to, electrolyte replacement, infant formulas, miscellaneous nutritional supplements and all other OTC products and medications;
- (2) medical supplies and durable medical equipment;
- (3) liquid nutritional supplements, pediatric vitamins, prenatal vitamins, prescribed versions of vitamins A, D, K, B12, folic acid and niacin used in treatment versus as a dietary supplement, and all other vitamins and nutritional supplements;
- (4) anorexiant, any cosmetic drugs including, but not limited to, Renova, skin pigmentation preps, any drugs or products used for the treatment of baldness, and topical dental fluorides;
- (5) refills in excess of that specified by the prescribing Physician, or refills dispensed after one year from the original date of the Prescription;
- (6) drugs needed due to conditions caused, directly or indirectly, by an Insured taking part in a riot or other civil disorder, or the Insured taking part in the commission of a felony;
- (7) drugs needed due to conditions caused, directly or indirectly, by declared or undeclared war or an act of war, or drugs dispensed to an Insured while on active duty in any armed forces;
- (8) any expenses related to the administration of a drug;
- (9) needles or syringes for the administration of a drug;
- (10) drugs covered under Workers' Compensation, Medicare, Medicaid, or other governmental programs;
- (11) drugs, medicines, or products which are not Medically Necessary; or
- (12) smoking deterrents.]

**SCHEDULE OF BENEFITS (or Schedule)** means the benefit schedule set forth in the Policy or Certificate.

**SICKNESS** means an illness or disease that starts while the Insured's coverage is in force. Sickness includes pregnancy and Complications of Pregnancy.

**SKILLED NURSING CARE FACILITY** means a place where an Insured goes to recover from a Sickness and that:

- 
- (1) is a legally operated facility that can be part of a hospital;
  - (2) operates 24 hours a day and will accept inpatients on an overnight basis;
  - (3) is supervised by a Physician;
  - (4) has a 24-hour a day nursing staff which is supervised by a registered nurse; and
  - (5) keeps written daily records for each patient.

Notwithstanding the above, a Skilled Nursing Care Facility is not:

- (1) a rest home or a home for the aged;
- (2) a place that provides mostly custodial care; or
- (3) a place for alcoholics or drug addicts.

**[SPOUSE** means the person recognized as the **[Employee's]** spouse under the laws of the state in which the **[Employee]** resides.]

**SUBSTANCE ABUSE** means the psychological or physical dependence on or addiction to alcohol, drugs and other controlled substances.

**[TRANSPLANT** means the Medically Necessary transfer of one or a combination of any of the following organs:

- (1) kidney;
- (2) pancreas;
- (3) heart;
- (4) lung (single or double); or
- (5) liver.

Transplant does not include any Investigational or Experimental services.]

**TREATMENT** means consultation, care or services provided by a Physician including diagnostic measures and taking prescribed drugs and medicines.

**[URGENT CARE FACILITY** means a free-standing facility that is engaged primarily in providing minor emergency and episodic medical care. A Physician, a registered nurse and a registered x-ray technician must be in attendance at all times that the facility is open. It must be licensed as an Urgent Care Facility, if required by law.]

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## **ELIGIBILITY AND EFFECTIVE DATE**

### **ELIGIBILITY**

All [Employees] who:

- (1) meet the definition of Actively in Service;
  - (2) qualify as eligible Insureds as defined in the Policyholder's application; and
  - (3) meet the definition of Eligibility as stated on the Schedule,
- are eligible to be insured under the Policy. Evidence of insurability acceptable to the Company may be required.

### **[ELIGIBILITY OF DEPENDENTS]**

An eligible [Employee] may enroll his or her [Spouse [or Domestic Partner]] [and/or] [Dependent Child(ren)]. [An individual cannot be covered as [an Employee] and a [Spouse [or Domestic Partner]] at the same time.] [A Dependent Child may only be covered by one [Employee] if both parents are [Employees] and covered separately under the Policy.]]

### **EFFECTIVE DATE**

The Effective Date for [an Employee] is as follows:

- (1) [An Employee's] coverage will be effective on the date shown on the Certificate Schedule provided the [Employee] is then Actively in Service.
- (2) If [an Employee] is not Actively in Service on the date coverage would otherwise become effective, the Effective Date of his coverage will be the date on which such [Employee] is first thereafter Actively in Service.

[The Effective Date for a Late Entrant will be the next anniversary date shown on the Policy Schedule of Benefits.]

[The Effective Date for a [Spouse [or Domestic Partner]] [and/or] [Dependent Child(ren)] is the date shown on the Certificate Schedule subject to the following:

- (1) The date the [Employee's] coverage is effective for a [Spouse [or Domestic Partner]] [and/or] [Dependent Child(ren)] who [is] [are] eligible on that date; for whom coverage is applied for and premium paid; and who [is] [are] not hospital confined.
- (2) At 12:00 a.m. Standard Time, on the day a [Spouse [or Domestic Partner]] [and/or] [Dependent Child(ren)] [is] [are] no longer hospital confined if the [Spouse [or Domestic Partner]] [and/or] [Dependent Child(ren)] [was] [were] otherwise eligible for coverage on the date the [Employee's] coverage became effective.
- (3) For a dependent eligible on or first acquired after the [Employee's] Effective Date, the Effective Date will be:
  - [(a) For newborn children and newborn adopted children, the Effective Date is the moment of birth. The Company must receive notification of birth within 90 days after the date of birth for coverage to continue for the newborn beyond the 90 day period. For newborn adopted children, a petition for adoption must be filed within

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60 days of birth. Coverage ends for newborn adopted children if the petition for adoption is dismissed or denied.】

- [(b) For other adopted children, the Effective Date is the date a petition for adoption is filed. The Company must receive notification of newly adopted children within 60 days from the date the petition for adoption is filed for coverage to continue for the adopted children beyond the 60 day period. Coverage ends for adopted children if the petition for adoption is dismissed or denied.】
- [(c) For foster children, the Effective Date is the date of placement in the [Employee's] home. The Company must receive notification of foster children within 31 days from the date of placement into the [Employee's] home for coverage to continue for the foster children beyond the 31 day period.】
- [(d) For a [Spouse [or Domestic Partner]] or any other dependent eligible on or first acquired after the [Employee's] Effective Date, the Effective Date is the date the Company assigns after approving that application for his or her coverage.】

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## **BENEFITS**

The following benefits are subject to the terms, conditions, limitations, exclusions, and maximums specified in the Policy. Benefits are not payable for expenses incurred or confinement that begins prior to the Certificate Effective Date.

### **HOSPITAL CONFINEMENT BENEFIT**

The Company will pay the benefit shown on the Schedule of Benefits if an Insured is Confined and receiving Treatment in a Hospital due to Sickness or Injury. Confinement in a Hospital must begin while this coverage is in force. [For Late Entrants, Confinement must begin and charges must be incurred after coverage has been in force for the number of days listed as the Waiting Period shown on the Schedule of Benefits.]

The total benefits payable will not exceed the Hospital Confinement Benefit amount shown on the Schedule of Benefits for each day the Insured is Confined, up to the maximum number of days per [Confinement and the maximum number of days per] Calendar Year shown on the Schedule.

The Hospital Confinement Benefit will not be paid for:

- (1) Emergency Room Treatment;
- (2) outpatient Treatment; or
- (3) Confinement of less than 23 hours in an observation unit.

[The Company will not pay the Hospital Confinement Benefit and the [Hospital Intensive Care Unit Confinement Benefit] [,] [Skilled Nursing Care Facility Benefit] [or] [Mental Illness and Substance Abuse Benefit] concurrently.]

### **[HOSPITAL INTENSIVE CARE UNIT BENEFIT**

The Company will pay the benefit shown on the Schedule of Benefits if any Insured incurs charges for and is Confined to a Hospital Intensive Care Unit due to Sickness or Injury. Confinement in a Hospital Intensive Care Unit must begin while this coverage is in force. [For Late Entrants, Confinement must begin and charges must be incurred after coverage has been in force for the number of days listed as the Waiting Period shown on the Schedule of Benefits.]

The total benefits payable will not exceed the Hospital Intensive Care Unit Benefit amount shown on the Schedule of Benefits for each day the Insured is Confined, up to the maximum number of days per Calendar Year shown on the Schedule.

If an Insured is Confined to a Hospital care unit that does not meet this Policy's definition of a Hospital Intensive Care Unit, the Company will pay the Hospital Confinement Benefit shown on the Schedule of Benefits for each day the Insured is Confined, up to the maximum number of days per Calendar Year for the Hospital Confinement Benefit shown on the Schedule of Benefits.

The Company will not pay the Hospital Intensive Care Unit Confinement Benefit and the Hospital Confinement Benefit [,] [Mental Illness and Substance Abuse Benefit] [or] [Skilled Nursing Care Benefit] concurrently.

If the maximum number of days shown on the Schedule of Benefits have been paid for the Hospital Confinement Intensive Care Unit Benefit, any additional days of Hospital Intensive Care Unit confinement will be paid under the Hospital Confinement Benefit, provided that the

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Company will not pay more than the maximum number of days [per Confinement or] per Calendar Year for the Hospital Confinement Benefit shown on the Schedule of Benefits.]

### **[SURGICAL BENEFIT**

The Company will pay the benefit shown on the Schedule of Benefits when an Insured incurs charges for Inpatient Surgery or Outpatient Surgery due to Sickness or Injury. [For Late Entrants, charges must be incurred after coverage has been in force for the number of days listed as the Waiting Period shown on the Schedule of Benefits.]

The procedure must be performed by a Physician using anesthesia administered by a licensed anesthesiologist or certified registered nurse anesthetist (CRNA).

Benefits will be paid once per covered surgical procedure. If an Insured has more than one surgical procedure performed on the same day, the Company will pay only one Surgical Benefit, even if caused by more than one Injury or Sickness. The Company will pay the benefit that has the highest dollar value. The Company will not pay the Inpatient Surgery Benefit and the Outpatient Surgery Benefit concurrently.

The total benefits payable per Calendar Year will not exceed the maximum number of surgeries shown on the Schedule of Benefits per Calendar Year.

### **[ANESTHESIA BENEFIT**

The Company will pay the benefit shown on the Schedule of Benefits if an Insured incurs charges for and receives general anesthesia administered by an anesthesiologist or a Certified Registered Nurse Anesthetist (CRNA) during a surgical procedure for which a benefit is payable under the Policy. [For Late Entrants, charges must be incurred after coverage has been in force for the number of days listed as the Waiting Period shown on the Schedule of Benefits.]

If more than one surgical procedure is performed at the same time, the Company will pay only one Anesthesia Benefit. The Anesthesia Benefit will be paid for the surgical procedure performed that has the highest dollar value.

The Anesthesia Benefit will be paid only if a Surgical Benefit is also paid.

The total benefits payable per Calendar Year will not exceed the maximum shown on the Schedule of Benefits per Calendar Year.]

### **[PHYSICIAN OFFICE/URGENT CARE FACILITY VISIT INDEMNITY BENEFIT**

The Company will pay the benefit shown on the Schedule of Benefits when an Insured incurs charges for and requires services rendered by a Physician at a Physician's office or Urgent Care Facility due to Sickness or Injury. [For Late Entrants, charges must be incurred after coverage has been in force for the number of days listed as the Waiting Period shown on the Schedule of Benefits.]

The Physician Office/Urgent Care Facility Visit Indemnity Benefit is not payable for services rendered by a Physician while an Insured is confined to a Hospital or receiving Treatment in an Emergency Room.

The total benefits payable for each visit will not exceed the Physician Office/Urgent Care Facility Visit Indemnity Benefit amount shown on the Schedule of Benefits, up to the maximum number of visits per Calendar Year shown on the Schedule.



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[The Company will not pay the Physician Office/Urgent Care Facility Visit Indemnity Benefit and [the Preventive Care Visit Benefit] [or] [the Emergency Room Benefit] concurrently.]]

### **[EMERGENCY ROOM BENEFIT**

The Company will pay the benefit shown on the Schedule of Benefits when an Insured incurs charges for and receives Treatment rendered in an Emergency Room due to Sickness or Injury. Treatment for an Injury must be received within [72] hours of the Accident causing such Injury.

The total benefits payable for each visit will not exceed the Emergency Room Benefit amount shown on the Schedule of Benefits, up to the maximum number of visits per Calendar Year shown on the Schedule.

[The Company will not pay the Emergency Room Benefit and [the Physician Office/Urgent Care Facility Visit Indemnity Benefit] [or] [the Preventive Care Visit Benefit] concurrently.]]

### **[X-RAY AND LABORATORY TESTING BENEFIT**

The Company will pay the benefit shown on the Schedule of Benefits if an Insured incurs charges for and undergoes any type of X-ray or laboratory testing that is ordered by a Physician. [For Late Entrants, the charges must be incurred after coverage has been in force for the number of days listed as the Waiting Period shown on the Schedule of Benefits.]

The service must be performed:

- (1) while the coverage is in force; and
- (2) in a Hospital, Physician's office, Urgent Care Facility, Emergency Room, or other appropriately licensed stand-alone healthcare facility that provides diagnostic services.

The total benefits payable per day will not exceed the X-Ray and Laboratory Testing Benefit amounts shown on the Schedule of Benefits, up to the maximum amounts shown on the Schedule.

This benefit is not payable for X-rays or laboratory tests received while an Insured is Confined to a Hospital.]

### **[MAJOR DIAGNOSTIC TESTING BENEFIT**

We will pay the benefit shown on the Schedule of Benefits if an Insured incurs charges for and undergoes a major diagnostic test that is ordered by a Physician. For purposes of this benefit, major diagnostic test is an MRI (magnetic resonance imaging), a CT (computed tomography) scan, or a PET (positron emission tomography) scan. [For Late Entrants, the charges must be incurred after coverage has been in force for the number of days listed as the Waiting Period shown on the Schedule of Benefits.]

The procedure must be performed:

- (1) while the coverage is in force; and
- (2) in a Hospital, Physician's office, Urgent Care Facility, Emergency Room, or other appropriately licensed stand-alone healthcare facility that provides diagnostic services.

The total benefits payable per procedure will not exceed the Major Diagnostic Testing Benefit amount shown on the Schedule of Benefits, up to the maximum number of tests per Calendar

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Year shown on the Schedule. ]

### **[PREVENTIVE CARE VISIT BENEFIT**

The Company will pay the benefit shown on the Schedule of Benefits if an Insured incurs charges for a Physician's office visit for preventive care. [For Late Entrants, the charges must be incurred after coverage has been in force for the number of days listed as the Waiting Period shown on the Schedule of Benefits.] For purposes of this Policy, preventive care is defined as:

- (1) immunizations;
- (2) well baby care, including immunizations;
- (3) prostate cancer screenings;
- (4) preventive Physician office visits;
- (5) colorectal screenings;
- (6) pap smears;
- (7) mammograms; and
- (8) routine physical exams.

The total benefits payable for each visit will not exceed the Preventive Care Visit Benefit amount shown on the Schedule of Benefits, up to the maximum number of visits per Calendar Year shown on the Schedule

[The Company will not pay the Preventive Care Visit Benefit and [the Physician Office/Urgent Care Facility Visit Indemnity Benefit] [or] [the Emergency Room Benefit] concurrently.]]

### **[GROUND AMBULANCE BENEFIT**

The Company will pay the benefit shown on the Schedule of Benefits if an Insured incurs charges for and requires transportation by a licensed professional ground ambulance company to or from a Hospital or between medical facilities, where Treatment is received as the result of a Sickness or Injury.

The total benefits payable per trip will not exceed the Ground Ambulance benefit amount shown on the Schedule of Benefits, up to the maximum number of trips per Calendar Year shown on the Schedules.]

### **[AIR AMBULANCE BENEFIT**

The Company will pay the benefit shown on the Schedule of Benefits if an Insured incurs charges for and requires transportation by a licensed professional air ambulance company to or from a Hospital or between medical facilities, where Treatment is received as the result of a Sickness or Injury.

The total benefits payable per trip will not exceed the Air Ambulance Benefit amount shown on the Schedule of Benefits, up to the maximum number of trips per Calendar Year shown on the Schedule.]

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### **[SKILLED NURSING CARE FACILITY BENEFIT**

The Company will pay the benefit shown on the Schedule of Benefits for each day an Insured is Confined to and incurs charges for Confinement in a Skilled Nursing Care Facility due to Sickness or Injury. Confinement must begin while the coverage is in force and immediately following a Hospital Confinement of at least 3 days. [For Late Entrants, Confinement must begin and the charges must be incurred after coverage has been in force for the number of days listed as the Waiting Period shown on the Schedule of Benefits.]

The total benefits payable will not exceed the Skilled Nursing Care Facility Benefit amount shown on the Schedule of Benefits, up to the maximum number of days per Calendar Year shown on the Schedule.

The Company will not pay the Skilled Nursing Care Facility Benefit for:

- (1) Emergency Room Treatment;
- (2) outpatient Treatment; or
- (3) Confinement of less than 23 hours in an Observation Unit.

The Company will not pay the Skilled Nursing Care Facility Benefit and the Hospital Confinement Benefit [,] [Hospital Intensive Care Unit Confinement Benefit] [or] [Mental Illness and Substance Abuse Benefit] concurrently.]

### **[MENTAL ILLNESS AND SUBSTANCE ABUSE CONFINEMENT BENEFIT**

The Company will pay the benefit shown on the Schedule of Benefits if an Insured is Confined and receiving Treatment for Mental Illness or Substance Abuse in a Mental Illness/Substance Abuse Treatment Facility. Confinement in a Mental Illness/Substance Abuse Treatment Facility must begin while this coverage is in force. [For Late Entrants, Confinement must begin and the charges must be incurred after coverage has been in force for the number of days listed as the Waiting Period shown on the Schedule of Benefits.]

The Company will not pay the Mental Illness and Substance Abuse Benefit for:

- (1) any Treatment provided in a Hospital, an Emergency Room, or an Observation Unit; or
- (2) Outpatient Treatment.

The total benefits payable will not exceed the Mental Illness and Substance Abuse Benefit amount shown on the Schedule of Benefits, up to the maximum number of days per Calendar Year shown on the Schedule.

The Company will not pay the Mental Illness and Substance Abuse Benefit and the Hospital Confinement Benefit[, ] [Hospital Intensive Care Unit Confinement Benefit] [or] [Skilled Nursing Care Benefit] concurrently.]

### **[HOSPITAL ADMISSION — LUMP SUM BENEFIT**

The Company will pay the benefit shown on the Schedule of Benefits if an Insured is admitted and Confined to a Hospital due to Sickness or Injury. [For Late Entrants, Confinement must begin after coverage has been in force for the number of days listed as the Waiting Period shown on the Schedule of Benefits.]

The total benefits payable will not exceed the Hospital Admission Lump Sum Benefit amount shown on the Schedule of Benefits, up to the maximum number of admissions per Calendar Year shown on the Schedule.

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[The Company will not pay the Hospital Admission Lump Sum Benefit and the Mental Illness and Substance Abuse Lump Sum Benefit concurrently.]]

**[MENTAL ILLNESS AND SUBSTANCE ABUSE ADMISSION– LUMP SUM BENEFIT**

The Company will pay the benefit shown on the Schedule of Benefits if an Insured is admitted to, Confined and receiving inpatient Treatment in a Mental Illness/Substance Abuse Treatment Facility. [For Late Entrants, Confinement must begin after coverage has been in force for the number of days listed as the Waiting Period shown on the Schedule of Benefits.]

The total benefits payable will not exceed the Mental Illness and Substance Abuse Lump Sum Benefit shown on the Schedule of Benefits, up to the maximum number of admissions per Calendar Year shown on the Schedule.

[The Company will not pay the Mental Illness and Substance Abuse Admission Lump Sum Benefit and the Hospital Admission Lump Sum Benefit concurrently.]]

**[TRANSPLANT TRAVEL LUMP SUM BENEFIT**

The Company will pay the benefit shown on the Schedule of Benefits if an Insured travels more than 100 miles from his or her primary residence for purposes of obtaining a Transplant. [For Late Entrants, the Transplant must occur after coverage has been in force for the number of days listed as the Waiting Period shown on the Schedule of Benefits.]

The total benefits payable will not exceed the Transplant Travel Lump Sum Benefit amount shown on the Schedule of Benefits, up to the maximum number of occurrences per Calendar Year shown on the Schedule.]

**[PRESCRIPTION DRUG INDEMNITY BENEFIT**

The Company will pay the benefit shown on the Schedule of Benefits if the Insured incurs charges for a Prescription Drug dispensed by a Pharmacy. The Prescription must be dispensed on or after the Certificate Effective Date. [For Late Entrants, the Prescription Drug must be dispensed after coverage has been in force for the number of days listed as the Waiting Period shown on the Schedule of Benefits.]

The total benefits payable will not exceed the Prescription Drug Indemnity Benefit amount shown on the Schedule of Benefits, multiplied by the maximum number of Prescriptions per Calendar Year shown on the Schedule.]

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## **[LIMITATIONS**

### **[PRE-EXISTING CONDITION LIMITATION**

The Company will not pay benefits for charges, services, or supplies incurred as a result of a Pre-Existing Condition within 12 months of an Insured's Effective Date.

[If the Insured was covered under a prior carrier's group limited medical indemnity policy at the date of change in coverage to a group limited medical indemnity policy provided by the Company and was not subject to a Pre-Existing Condition limitation under the prior carrier's policy, there shall be no Pre-Existing Condition limitation under the Company's Policy. However, if the Insured was subject to a Pre-Existing Condition limitation under the prior carrier's policy, credit will be given toward satisfaction of the Pre-Existing Condition limitation of the Company's Policy for that period of time that the Insured was continuously covered under the prior carrier's policy.]

A claim for benefits diagnosed after 12 months from an Insured's Effective Date will not be reduced or denied on the grounds that it is caused by a Pre-Existing Condition.]

### **[WAITING PERIOD FOR LATE ENTRANTS**

For all benefits except [the Emergency Room Benefit][,] [and] [the Ground Ambulance Benefit] [and] [the Air Ambulance Benefit],] no benefits are payable for a Late Entrant until the coverage has been in force the number of days listed as the Waiting Period shown on the Schedule of Benefits.

Late Entrants will be eligible for all benefits listed on the Schedule of Benefits for charges, services, or supplies incurred after the Waiting Period.]]

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## **EXCLUSIONS**

The Policy does not provide any benefits for the following:

- (1) services or supplies that are not Medically Necessary, even if prescribed, recommended, or approved by a Physician;
- (2) intentionally self-inflicted Injury or suicide attempt while sane or insane;
- (3) voluntary abortion except, with respect to the Insured or the Insured's Dependent Spouse:
  - (a) where the Insured's or the Insured's Dependent Spouse's life would be endangered if the fetus were carried to term, or
  - (b) where medical complications have arisen from abortion;
- (4) pregnancy of a Dependent Child, except Complications of Pregnancy;
- (5) procedures, services, or drugs related to artificial insemination, in vitro or test tube fertilization, including any related testing;
- (6) procedures, services, or drugs for exogenous obesity or weight control;
- (7) services for purchase and fitting of hearing aids;
- (8) services and supplies related to smoking cessation;
- (9) charges for food, food supplements, or vitamins;
- (10) charges related to marriage, family, child, career, social adjustment, pastoral, or financial counseling;
- (11) services related to therapy, supplies, or counseling for sexual dysfunction or inadequacies that do not have a physiological or organic basis;
- (12) procedures, services, or drugs for the reversal of a tubal ligation or a vasectomy;
- (13) charges for rental or purchase of durable medical equipment;
- (14) Injury or Sickness resulting from
  - (a) an act of war, declared or undeclared;
  - (b) active participation in a riot, civil commotion, civil disobedience or unlawful assembly;
  - (c) committing a felony;
  - (d) participation in a contest of speed in a power driven vehicles, parachuting, parasailing, bungee jumping, scuba diving, stunt driving, rock climbing, flying ultra-light aircraft, skydiving, hang gliding or any hazardous sports activity for exhibition purposes;
  - (e) air travel, except as a fare-paying passenger on a commercial airline; or
  - (f) the Insured being intoxicated or under the influence of any narcotic unless the narcotic is administered on the advice of a Physician;
- (15) procedures associated with sex changes;
- (16) elective surgery (with the exception of organ donation) or cosmetic surgery, including

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any expenses related to Hospital Confinement, unless due to a covered Injury or Sickness;

- (17) any Treatment, drugs, or surgery considered Investigational or Experimental by the American Medical Association, the Health Care Finance Administration, or the Federal Drug Administration;
- (18) any Injury or Sickness occurring while the Insured is in the service of the Armed Forces of any country. Orders to active military service for training purposes of two months or less will not constitute service in the Armed Forces. Upon notice to the Company of entering the Armed Forces, the Company will return to the Insured pro rata any premium paid, less any benefits paid, for any period during which the Insured is in such service;
- (19) an Injury or Sickness for which the Insured receives benefits under Workers' Compensation or similar coverage or for which the Insured would receive benefits under Workers' Compensation if the employer had enrolled the Insured for such coverage and the Insured and employer had cooperated in filing a claim under that coverage;
- (20) dental or vision services, including but not limited to treatment, surgery, extractions or x-rays, unless:
  - (a) resulting from an Injury occurring while the Insured's coverage is in force and if performed within 12 months of the date of such Injury; or
  - (b) due to congenital disease or anomaly of a newborn Dependent Child;
- (21) any charges incurred prior to the Effective Date or in excess of the Calendar Year Maximums listed on the Schedule of Benefits[;][or]
- [(22)] [routine examinations, such as health exams, periodic check-ups or routine physicals][; or]
- [(23)] routine newborn care and nursery charges, including charges incurred for routine Hospital Confinement].

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## **TERMINATION OF INSURANCE**

[An Employee's] coverage will terminate on the earliest of:

- (1) the date the Policy is terminated;
- (2) the end of the last period for which premium has been paid;
- (3) on the date he or she ceases to be Actively in Service as defined in the Policy [, except as provided for under the Leave of Absence provision in this Section];
- (4) on the date he or she no longer meets the requirements for eligibility; [or]
- [(5) the last day of the month following the date the [Employee] attains age 65; [or]]
- [(6) the last day of the month the [Employee] becomes eligible for Medicare; or]
- [(7)] on the date all available benefits under the Certificate have been paid.

[Coverage for an insured [Spouse [or Domestic Partner]] [and/or] [Dependent Child(ren)] will terminate the earliest of:

- (1) the date the Policy is terminated;
- (2) the date the [Employee's] coverage is terminated;
- (3) the end of the last period for which premium has been paid;
- (4) the premium due date following the date the [Spouse] [or Domestic Partner] [and/or Dependent Child(ren)] ceases to meet the definition of [Spouse] [or Domestic Partner] [and/or Dependent Child(ren)];
- (5) the premium due date following the date the Company receives the [Employee's] written request to terminate coverage for his or her [Spouse] [or Domestic Partner] [and/or Dependent Child(ren)]
- [(6)with respect to the [Spouse] [or Domestic Partner], the last day of the month following the date the [Spouse] [or Domestic Partner] attains age 65[;] [or]]
- [(7)with respect to the [Spouse] [or Domestic Partner], the last day of the month the [Spouse] [or Domestic Partner] becomes eligible for Medicare[.]]

Termination of Insurance on any Insured shall be without prejudice to his rights as regarding any claim arising prior thereto.

The Company or the Policyholder may end the Policy on any date by written notice mailed or delivered. If the Company ends the Policy for a reason other than non-payment of premium, the termination becomes effective on the later of the date stated in the notice or 45 days after the Company mails or delivers the written notice of such termination. If any portion of the premium due is not paid, the Policy will terminate in accordance with the Grace Period provision. If the Policyholder ends the Policy, the termination becomes effective on the later of the date stated in the notice or the date the Company receives the written notice of such termination. If the Policy is ended, the Company will promptly refund any unearned premium, or the Policyholder will promptly pay any earned premium which has not yet been paid. Any unearned and earned premium will be calculated on a pro-rata basis.

Termination of the Policy will be without prejudice to the rights of any Insured as respects any claim arising during the period the Policy is in force.

The Policyholder has the sole responsibility to notify [Employees] of such termination.



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**[COBRA CONTINUATION OF COVERAGE]**

The coverage may be continued in accordance with the Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA). It is the responsibility of the Policyholder to comply with COBRA.]

**[LEAVE OF ABSENCE]**

Subject to the continued payment of Premiums due, the [Employee's] coverage may be continued for up to [one] year(s) during a Leave of Absence approved in writing by the [Employee's] employer.]

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## **PREMIUM CALCULATION AND PAYMENT**

Premiums will be computed in accordance with the rates in effect on the Premium due date. [The portion of the premium that the [Employee] is responsible for contributing is shown on the Certificate Schedule of Benefits.] The total premium for the Policy is the sum of premiums for all Insureds.

The first premium is due on the Effective Date of the Policy. Premiums after the first are due at the end of the period for which the preceding premium was paid. [The due date for any additional premium for a dependent eligible on or first acquired after the insured [Employee's] Effective Date will be as follows:

- (1) for newborn children, within 90 days of birth;
- (2) for adopted children, within 60 days of the date the petition for adoption is filed; and
- (3) for foster children and all other dependents, 31 days after coverage for that dependent is required to begin.]

The Policyholder is responsible for paying all premiums. However, the premiums may be paid by any other party according to a mutual agreement among the other party, the Policyholder and the Company.

Premiums may be paid to:

- (1) the Company's Home Office; or
- (2) the Company's authorized agent.

Payment of premium for a period before it is due will not guarantee that the coverage will remain in that effect for that period.

The rates may be changed once the Rate Guarantee Period listed on the Schedule has elapsed after the Effective Date of the Policy or on any Premium due date after that. Any subsequent rate changes will not be made more frequently than once every [6 months]. No such change in premium will be made unless [30 days] prior notice is given to the Policyholder.

The rates may change prior to the time frames outlined above, however, for reasons that affect the insured risk, which include:

- (1) a change in benefits;
- (2) a new law or change in any existing law that affects the Policy; or
- (3) a material change in the composition or size of the Insureds covered under the Policy.

### **GRACE PERIOD**

A grace period of 31 days will be allowed for each premium payment after the first premium. Coverage will remain in effect during the grace period. The coverage under the Policy will terminate at the end of the grace period if the premium has not been paid. The Policyholder must still pay all unpaid premium. This includes the premium due for the grace period. No grace period is provided after the Policyholder has given notice of intent to end the Policy.

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## **CLAIM PROVISIONS**

**NOTICE OF CLAIM:** Written notice of claim must be given to the Company at the address listed on the first page of the Policy, or to the Company's designee. Such notice should be made within 30 days after any claim covered by the Policy. If it is not reasonably possible to give notice within that time, the claim may not be denied or reduced due to the delay.

**CLAIM FORMS:** Claim forms should be used for filing proof of loss. They will be sent to the Insured within 15 days of receipt of notice of claim. If claim forms are not supplied within 15 days, the Insured can give proof as follows:

- (1) in writing;
- (2) setting forth the nature and extent of the claim, including the Physician's diagnosis; and
- (3) within the time stated in the Proof of Loss Provision.

**PROOF OF LOSS:** Proof of loss must be given to the Company within 180 days after the loss. Late proof may be accepted if:

- (1) it was not reasonably possible to give proof in that time; and
- (2) the proof is given within one year from the date proof is otherwise required. This one year limit will not apply in the absence of legal capacity.

**TIME OF PAYMENT OF CLAIMS:** Benefits payable under the Policy will be paid immediately upon receipt of acceptable Proof of Loss.

**PAYMENT OF CLAIMS:** All benefits will be payable to the [Employee], unless assigned by operation of law. Any accrued benefit unpaid at the [Employee's] death may be paid to their estate.

**PHYSICAL EXAMINATION:** The Company has the right to have the Insured examined as often as is reasonably necessary while a claim is pending. The Company will pay for such examination.

**REIMBURSEMENT OF OVERPAYMENT:** The Insured will be responsible for reimbursing the Company for any payment of benefits in excess of the Calendar Year Maximums listed on the Schedule of Benefits. The Insured will also be responsible for reimbursing the Company for any overpayment resulting from fraud or an error in claim processing made by the Insured, the Company or the plan administrator.

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## **GENERAL PROVISIONS**

**ENTIRE CONTRACT-CHANGES:** The entire contract shall include:

- (1) the Policy;
- (2) the application of the Policyholder;
- (3) the Certificates;
- (4) the insured [Employee's] application, if any, attached to the Certificate; and
- (5) all riders, endorsements and amendments.

The terms of the Policy can be changed only by rider, endorsement or amendment signed by an executive officer. Any amendment that reduces or eliminates coverage must be requested in writing or signed by the Policyholder. No agent may change the Policy or waive its provisions.

**CERTIFICATES:** An individual Certificate will be issued for delivery to the insured [Employee]. The Certificate will describe:

- (1) the benefits under the Policy;
- (2) to whom benefits will be paid; and
- (3) the limitations and terms of the Policy.

If more than one Certificate is issued under the Policy to insured [Employee], only the last one issued will be in effect.

If there is a conflict between the Policy and the Certificate, the Policy will control.

**LEGAL ACTION:** No legal action may be brought to recover under the Policy:

- (1) within 60 days after written Proof of Loss has been furnished as required; or
- (2) more than 3 years from the time written Proof of Loss is required to be furnished.

**TIME LIMIT ON CERTAIN DEFENSES:** Except in the case of fraud, after two years from the Effective Date of the Insured's coverage, no statements made in the application can be used to:

- (1) void the coverage; or
- (2) deny a claim for loss incurred commencing after the expiration of such two-year period.

**INCONTESTABILITY:** All statements made by the Policyholder to obtain the Policy are considered representations and not warranties.

No statement will be used to deny or reduce benefits or be used as a defense to a claim, or to deny the validity of the Policy unless a copy of the instrument containing the statement is, or has been, furnished to the Policyholder. After two years from the Effective Date, no such statement will cause this Policy to be contested except for fraud.

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All statements made by an Insured are considered representations and not warranties. No statement will be used to deny or reduce benefits or be used as a defense to a claim unless a copy of the instrument containing the statement is, or has been, furnished to the Insured. In the event of an Insured's death or incapacity, his or her applicable representative shall be given a copy.

After two years from an Insured's Effective Date of coverage, or from the Effective Date of increased benefits, no such statement will cause the coverage or the increased benefits to be contested except for fraud.

**CLERICAL ERROR:** A clerical error by the Policyholder will not end coverage or continue terminated coverage. In the event of such clerical error, a premium adjustment will be made.

**MISSTATEMENT OF AGE:** If an age has been misstated on the application, the benefits will be those the premium paid would have purchased at the correct age.

**CONFORMITY WITH STATE LAWS:** A provision of the Policy that conflicts with a law of the state of issue is hereby changed to meet the minimum standards of that law.

**NEW ENTRANTS:** New [Employees] of the Policyholder [and their dependents] will be added to the applicable class originally insured under the Policy provided they apply for such coverage and meet the requirements for eligibility as stated in the Policy.

**IMPORTANT NOTICE:** For questions regarding this Policy, please contact the Company at the administrative office listed on the first page of this Policy. The Company may also be contacted by telephone at [1-866-623-2953].

If discussions with the Company have failed to produce a satisfactory resolution to a problem, the Arkansas Department of Insurance may be contacted at:

Arkansas Department of Insurance  
Consumer Services Division  
1200 West Third Street  
Little Rock, Arkansas 72201-1904

Telephone: 1-800-852-5494